



EUROPEAN COMMISSION

PRESS RELEASE

Brussels, 18 December 2013

State aid: Commission opens in-depth investigation into public funding of certain Spanish professional football clubs

The European Commission has opened three distinct in-depth investigations to verify whether various public support measures in favour of certain Spanish professional football clubs are in line with EU state aid rules. None of the measures was notified to the Commission, who was alerted by concerned citizens. The Commission has concerns that these measures provided significant advantages to the beneficiary clubs to the detriment of the clubs which have to operate without such support. The opening of an in-depth investigation gives Spain and interested third parties an opportunity to comment on the measures under examination; it does not prejudge its outcome.

Commission Vice President in charge of competition policy Joaquín Almunia said: *"Professional football clubs should finance their running costs and investments with sound financial management rather than at the expense of the taxpayer. Member States and public authorities must comply with EU rules on state aid in this sector as in all economic sectors."*

The Commission will firstly investigate possible tax privileges for Real Madrid CF, Barcelona CF, Athletic Club Bilbao, and Club Atlético Osasuna. In another inquiry it will assess whether a widely reported land transfer between the City of Madrid and the club Real Madrid CF involved any state aid in favour of the club. Finally, it will examine the compliance with EU state aid rules of guarantees given by the State-owned Valencia Institute of Finance for loans that were used to finance the three Valencia clubs Valencia CF, Hercules CF and Elche CF, while those clubs were seemingly undergoing financial difficulties.

All these measures were financed through state resources and provide advantages to specific clubs that carry out economic activities in the EU internal market. The measures are therefore likely to affect competition and trade between Member States. As a result, they appear to involve state aid in the meaning of the EU rules. Such aid can be found compatible when it furthers a common objective without unduly distorting competition in the internal market. At this stage, Spain has not adduced any evidence to this effect.

In so far as the professional football clubs in question were facing financial difficulties at the time of the measures under scrutiny, they must be assessed on the basis of the EU guidelines that allow Member States to grant aid for the rescue and restructuring of companies in difficulty if certain conditions are met. At this stage, the Commission has doubts whether the measures comply with the guidelines, in particular because Spain has submitted no restructuring plan demonstrating how the clubs could become viable again while limiting the distortions of competition brought about by the state support.

Measures under investigation

The Commission's investigation covers the following measures:

Name of club	Year of measure	Description
Valencia CF	2009, 2010 and 2013	<p>2009: State guarantee by the Valencia Institute of Finance for a bank loan of EUR 75 million from Bancaja (now Bankia) to Fundació Valencia Club de Fútbol, which was used to finance the acquisition of shares of Valencia CF by the Fundacion Valencia.</p> <p>2010 and 2013: The Valencia Institute of Finance increased its guarantee to Fundació Valencia Club de Fútbol by EUR 6 million and EUR 5 million, respectively, to cover overdue capital, interest and costs, stemming from defaulted payments of the guaranteed loan previously granted to CF Valencia.</p>
Hercules CF	2010	State guarantee by the Valencia Institute of Finance for a bank loan of EUR 18 million from Caja de Ahorros del Mediterraneo to Fundació Hercules de Alicante, which was used to finance the acquisition of shares of Hercules CF by Fundació Hercules de Alicante.
Elche CF	2013	State guarantee by the Valencia Institute of Finance for two bank loans of totally EUR 14 million, from CAM (EUR 9 million) and from Banco de Valencia (EUR 5 million), to Fundació Elche Club de Fútbol, which was used to finance the acquisition of shares of Elche CF by Fundació Elche Club de Fútbol.
Real Madrid CF	2011	Real Madrid, appears to have benefitted from a very advantageous real property swap with the City of Madrid. This swap was based on a re-evaluation of a plot of land at a value of EUR 22.7 million, instead of its earlier supposed value in 1998 of EUR 595 000.
Real Madrid CF, Barcelona CF, Athletic Club Bilbao, Club Atlético Osasuna	Since 1990	Possible privileges regarding corporate taxation of Real Madrid CF, Barcelona CF, Athletic Club Bilbao, and Club Atlético Osasuna – These four clubs are exempted from the general obligation for professional football clubs to convert into sport limited companies. The effect of this exemption is that these clubs enjoy a preferential corporate tax rate of 25% instead of 30% applicable to sport limited companies.

Background

In a joint statement on 21 March 2012, VP Almunia and President Platini of UEFA agreed that the control of State aid to professional football and UEFA's Financial Fair Play rules

address identical concerns and that professional football clubs should live within their own means ([IP/12/264](#)).

The Commission is also looking at measures in other Member States which were brought to its attention and sent a request for information to all Member States concerning professional football in October 2012. In March 2013 the Commission has opened an in-depth investigation into public funding of five Dutch professional football clubs ([IP/13/192](#)).

Public interventions in favour of market actors that carry out economic activities can be considered free of state aid within the meaning of EU rules when they are made on terms that a private operator would have accepted under market conditions (the market economy investor principle – MEIP). If the MEIP is not respected, the public interventions constitute state aid within the meaning of the EU rules (Article 107 of the Treaty on the Functioning of the European Union – TFEU), because they confer an economic advantage on the beneficiary that its competitors do not have. The Commission then proceeds to assess whether such aid can be found compatible with the common EU rules that allow certain categories of aid. Without these common rules, competition within the EU's single market would be distorted by a 'subsidy race' between Member States to the benefit of particular market players.

The non-confidential version of the current decision will be made available under the case numbers [SA.29769](#), [SA.33754](#) and [SA.36387](#) in the [State Aid Register](#) on the [DG Competition website](#) once any confidentiality issues have been resolved. New publications of state aid decisions on the internet and in the Official Journal are listed in the [State Aid Weekly e-News](#).

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