FOOTBALL SUPPORTERS' ASSOCIATION

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FOOTBALL GOVERNANCE ACT 2025

CLAUSE-BY-CLAUSE ANALYSIS

Introduction

The FSA is the national, democratic, representative body for football supporters in England and Wales. We are the leading advocates for supporter ownership, better fan engagement, good governance, diversity, and all types of supporter empowerment.

We have been lobbying for substantial reform in the governance of our national game for many years. Our 2018 recommendations were adopted by the Fan-led Review in 2021. The Football Governance Act 2025 will now give statutory effect to those changes.

Overall, we welcome it and support the reforms it will achieve. We applaud the thorough manner in which it has been developed and the comprehensive nature of its provisions.

This briefing outlines the Act's provisions, section by section.

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Part 1 - PURPOSE, OVERVIEW AND KEY DEFINITIONS

1. Purpose and overview

The Act's purpose is to protect and promote the sustainability of English football, so that it continues to serve the interests of fans and contribute to the economic or social well-being of the local communities served by football clubs.

2. Key Definitions

The competitions within the scope of the Act are "specified competitions" to be set out in Regulations made by the Secretary of State ("SofS"). Although the initial scope is the PL, the EFL and the National League, the SofS will be able to vary that to include other tiers and competitions if that becomes necessary. The clubs to be "regulated" are those that play in those competitions.

The focus is on clubs playing in competitions where the majority are based in England. This will cover the Welsh teams playing in, for example, the EFL.

Under **section 2(6**), the first such use of these powers by the Secretary of State is not subject to the requirement to consult provided for by **s.2(5)** (in the interests of facilitating swift implementation of the key provisions of the Act).

3 Meaning of "owner" etc

Owners of clubs are defined here and in **Schedule 1**. Owners can be individuals, companies or other corporate structures. The Independent Football Regulator ("IFR") will be able to look behind complex structures and it is likely that opaque structures will invite greater levels of regulatory attention. The IFR will be able to request such information as it feels it needs to make judgments and sanction powers may be used if it doesn't get it.

4. Meanings of "officer" and "senior manager" etc

The Act replaces the current test of club Directors with a test of the standing of a broader range of "officers and senior managers" of clubs, to minimise the scope for avoidance.

Part 2 THE INDEPENDENT FOOTBALL REGULATOR

5 Establishment of the IFR

The Act establishes the IFR as a body corporate, with details set out in **Schedule 2.** We understand that UEFA and FIFA are satisfied that this does not contravene their rules against government interference in football.

6 The IFR's objectives

These are:

a) to protect and promote the financial soundness of regulated clubs ("the club financial soundness objective");

b) to protect and promote the financial resilience of English football ("the systemic financial resilience objective"); and

c) to safeguard the heritage of English football ("the heritage objective").

7 The IFR's general duties etc

This sets out the broad remit of the IFR, as explained in detail later in the Act. The IFR should seek to avoid exercising its functions in a way that affects the sporting competitiveness of any regulated club against other clubs; or adverse effects on financial investment in English football.

One new addition to **section 7** (at **7(20(c**)) is a reference to "financial growth", as well as financial investment.

8 The IFR's regulatory principles

The IFR's main regulatory principles are:

a) To use resources in an efficient, expedient and economic way;

b) To co-operate and engage with clubs, owners, and officers of clubs, competition organisers, and, specifically, at **section 8(b) (ii**, players and fans). **This additional provision has been added after intense lobbying by the FSA**;

c) To ensure requirements imposed are proportionate;

d) To ensure any restrictions or impositions it creates are proportionate to the benefits they yield;

e) To recognise the context of football and the rules etc, imposed by competition organisers;

f) To act consistently whilst recognising the differences between clubs and competitions;

g) To recognise the responsibilities of owners and officers of clubs in relation to the requirements placed on clubs under or by virtue of this Act;

h) To act as transparently as reasonably practicable.

9 Transfer schemes

Nothing to do with the transfer of players - the Act makes provision for the transfer of staff and property, rights and liabilities to the IFR.

10 State of the game report

The IFR must publish a report on the state of English football so far as relevant to the IFR's functions. The report must include an overview of the main issues affecting English football, an assessment of whether anything may jeopardise the IFR's ability to advance its objectives, and any other relevant matters relating to the state of English football.

The final version of the Act, at section **10(3),** provides that:

- the first State of the Game Report (SoG) must be published "as soon as is reasonably practicable"
- and in any case, no later than 18 months after the date upon which relevant regulations come into force (in practice, we expect this to be effectively 18 months after the date of Royal Assent)
- subsequent SoGs must be published at no longer than five yearly intervals. DCMS advise that this is to expedite production of the first SoG, but then to reduce the amount of future regulatory burden and better align future SoGs with the expected dates of broadcasting contracts

Section10(5) provides that the IFR must consult the FA, competition organisers and such other persons as it deems appropriate, in preparing any SoG Report.

11 Football governance statement

The SofS may publish a" Football Governance Statement "setting out Government policies relating to the governance of football, which must be consistent with the Act's purposes and the IFR's objectives. We understand this will not be binding on the IFR.

12 Guidance published by the IFR

IFR must publish guidance on discretionary licence conditions and may publish guidance on any other functions. IFR must consult such persons as it considers appropriate before

publishing such guidance. We are told that IFR will probably publish guidance on most if not all aspects of their remit.

13 Guidance published by the Secretary of State

The SofS may publish guidance on the IFR's functions and must consult the IFR and such other persons as the SofS considers appropriate before publishing.

FSA had lobbied for fans to be specifically referred to at **sections 12 and 13**, and elsewhere. DCMS think that the addition of fans to the list of statutory consultees under the regulatory principles set out in s.8 means that this is not necessary.

14 Annual report

In common with all Non-Departmental Public Bodies, the IFR must publish annual reports after the end of each of its financial years ending on 31 March.

Part 3 OPERATING LICENCES

15 Operating licences

A core function of the IFR is a licensing system for regulated clubs, i.e. those in the top 5 tiers of English football. The IFR may grant full operating licences authorising a club to operate a team on an ongoing basis and provisional licences, authorising a club to operate a team on a provisional basis prior to the grant of a full operating licence. All clubs within scope will initially be given a provisional licence.

16 Application for provisional operating licence

When clubs apply for a provisional licence, they must submit:

- a personnel statement identifying each of the club's owners and officers, identifying the club's ultimate owner, describing the title, role and functions of each officer and senior manager;
- a strategic business plan with information about the proposed operation of the club,
- the estimated costs of that operation, how those costs are to be funded, and the source of such funding; and
- other information and documents required by the IFR.

17 Grant of provisional operating licence

IFR must grant a provisional licence to a club if it complies with the Mandatory licence conditions (see **section 20)** and Duties on clubs (see **sections 45 - 53**).

The guiding principle here is that clubs should not be expected to be 100% compliant from day one. Thus, for example, clubs with a provisional licence must from the outset comply with the mandatory licence condition on fan engagement but not the more detailed "fan engagement threshold requirement" until they get a full licence.

We understand that the intention is that the new owners' and officers' tests will apply to all clubs even at the provisional stage. Importantly, IFR will have powers to prevent people who fail the tests from getting even a provisional licence

18 Grant of full operating licence

IFR must grant a full operating licence if a club:

- Meets the threshold requirements set out in **schedule 4;**
- Complies with the mandatory licence conditions (**section 20**) and duties on clubs (**sections 45 - 53**);
- Has no owners or officers who have been deemed to be unsuitable (**sections 26 to 44**)

19 Revocation and cessation of operating licence

This section empowers IFR to revoke provisional licences if:

- the full licence test (**section 18**) is not met; and
- the IFR considers that the club has persistently and without reasonable excuse failed
- to take such steps as are reasonable for that test to be met; and
- there is no reasonable prospect of the test being met within a reasonable period even if the club were to be given more time for the test to be met.

A club's failure is persistent if the failure has occurred on a sufficient number of occasions for it to be clear that it represents a pattern of behaviour or practice.

We are advised by DCMS that this specific power to revoke provisional licences works alongside wider powers for IFR to deal with recalcitrant owners in **sections 38 - 44.** Those powers do seem to be comprehensive.

Detailed provisions on the revocation of licences are in **Schedule 9, paras 8 & 9.**

20 Mandatory licence conditions

This imposes mandatory licence conditions on all licensed clubs - provisional and full. The conditions are set out in **Schedule 5.** Those conditions relate to financial plans, corporate governance, fan consultation, and the disclosure of information to IFR.

21 Discretionary licence conditions

The IFR may attach discretionary licence conditions (which are now specifically provided for by **section 21(2)**:

in the case of a provisional operating licence, to ensure clubs will meet the threshold requirements set out in **Schedule 4** before the end of the provisional licence period;

- in the case of a full licence, to ensure clubs will meet the threshold requirements;
- in the case of a provisional or full operating licence, to advance the IFR's systemic financial resilience objective.

The scope of the potential conditions which IFR can set needs to be broad so that it can cope with changing circumstances and the variety of conduct possible in a wide range of clubs. IFR can issue guidance on the threshold requirements, which are the main substance here and it is important that they do so.

22 Scope of powers to attach or vary discretionary licence conditions

This sets out the scope of discretionary licence conditions. Those dealing with financial resources should relate to debt management, liquidity requirements, or overall cost reduction, or restrict the club's ability to accept or receive funding connected to serious criminal conduct. Those on non-financial resources should cover internal financial controls, risk management, or financial reporting. The SofS can amend these provisions by regulation (Statutory Instrument made under **section 22(5)**).

Section 22(6) provides that the IFR can ask the Secretary of State to make regulations under 22(5); before doing so they must consult:

- all regulated clubs
- competition organisers
- other parsons that the IFR deems appropriate

23 Procedure for attaching or varying financial discretionary licence conditions

These provisions apply when IFR wishes to apply a discretionary licence condition relating to—

a) the financial resources threshold requirement, or

b) the advancement of the IFR's systemic financial resilience objective.

Under **Schedule 4,** the financial resources threshold requirement is met, in relation to a club, if the financial resources of the club are appropriate in relation to the activities the club carries on. Under **section 6**, the systemic financial resilience objective is "to protect and promote the financial resilience of English football." Thus, the first relates to individual clubs, the second is a broader objective.

Where IFR wants to impose or vary a financial licence condition it must notify both the club and "the specified competition organiser which organises a specified competition in relation to which a relevant team is operated by the club." Note that Premier League clubs are operated in relation to (or, at any rate, play in) competitions organised by three organisers - PL, EFL and FA.

Under **section 23** IFR must invite the club and the competition organiser to make representations and invite the competition organiser to give a commitment to take action in lieu of a condition. IFR must consider these and decide whether to accept them.

24 & 25 Commitments in lieu of financial discretionary licence conditions

These sets out the powers of IFR to accept, reject or subsequently rescind commitments and, if necessary, enforce them or replace them with conditions.

Section 25 sets out a procedure to be followed by the IFR when seeking to attach or vary any other discretionary licensing conditions.

Part 4 OWNERS AND OFFICERS OF REGULATED CLUBS: SUITABILITY ETC

26 Part 4: overview and interpretation

An individual meets the "individual ownership fitness criteria" if the individual—

a) has the requisite honesty and integrity, and

b) is financially sound.

An individual meets the "officer fitness criteria" if the individual—

a) has the requisite honesty and integrity,

b) has the requisite competence, and

c) is financially sound.

"Requisite honesty and integrity" is defined in **section 37(2).** This is a very broad list, better than the current owners' and directors' tests. "Financial soundness" is outlined in **37(3),** is less comprehensive but enables IFR to add detail. **"**Competence" isn't defined but **37(4)** requires IFR to have regard to the individual's qualifications, experience and training.

27 Duties to notify IFR of prospective new owner or officer

This requires IFR to be notified of prospective changes in the ownership of clubs or the identity of club officers. The duties are on the clubs and on the individuals concerned.

28 Determination of suitability required for new owner

A person may not become a club owner unless IFR determines the person is suitable to be an owner of the club (an "affirmative determination").

Prospective owners must provide to IFR information on the proposed operation of the club; the estimated costs of that operation; how those costs are to be funded; the source of such funding; and information about other matters required by IFR.

IFR must make an affirmative determination if it considers that the applicant meets the individual ownership fitness criteria **(section 26)**, has sufficient financial resources, and if the IFR does not have grounds to suspect that the applicant has any source of wealth which is connected to serious criminal conduct.

Under **section 28(9)** IFR must publish such determinations. That is an important step as currently neither the football authorities nor clubs are required to publish details of people who pass the owners' and directors' tests.

29 Determination of suitability required for new officer

Provisions similar to **section 28** on proposed new officers of clubs. IFR must make an affirmative determination if it considers that the applicant meets the officer fitness criteria **(section 26)**.

The IFR will have powers to investigate people for whom determinations are sought under **sections 28 & 29**.

30 Becoming an owner or officer without a determination

Where IFR is aware that a person has become an owner or officer of a regulated club without a determination under **28 or 29** IFR must notify the person, requiring them either to apply for a determination or, stating they have already become disqualified (under **section 38**) or have been deemed not suitable.

31 Opportunity to make representations about proposed negative determinations

Persons about whom IFR is minded to make negative determinations under **sections 28, 29 or 30** must be given a chance to make representations to IFR.

32 Determinations under sections 28 and 29: time limits

A procedure for setting time limits on the above processes.

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

Clubs and their owners and officers must notify IFR if there has been or may have been, a material change in circumstances relevant to the suitability of an individual who is an owner or officer of the club to hold that position.

34 Incumbent owners and 35 Incumbent officers

These sections give IFR power to review the suitability of incumbent owners and officers "if the IFR is in possession of information that gives it grounds for concern about whether the individual meets those criteria."

36 Opportunity to make representations about proposed negative findings

Persons about whom IFR is minded to make negative determinations under **sections 33 or 34** must be given a chance to make representations to IFR.

37 Matters relevant to determinations

This requires IFR to have regard to competition organisers' own determinations about the suitability of owners and officers. It also lists comprehensively the matters relevant to "requisite honesty and integrity," to "financial soundness" and to "requisite competence."

Section 37(2) which previously stipulated that in making a determination about a prospective or incumbent owner, "the IFR must … have regard to the foreign and trade policy objectives of His Majesty's Government in the United Kingdom" was removed in its entirety by the current Government.

As a result of the removal of **section 37(2**), **section 37(7),** which was consequential upon it, has also been removed.

38 Disqualification orders

This allows IFR to disqualify people from being an owner or officer of any regulated club who have been determined as not suitable to hold such a position with a particular regulated club.

39 to 42 Removal directions: owners and officers

These provisions set out powers and procedures for IFR to remove unsuitable owners and officers.

43 Ownership removal orders

This gives IFR an essential, last option power to bring about a change in ownership if a club's owners have been deemed unsuitable. It enables IFR to appoint trustees to implement changes required by IFR and obliges club owners and officers to cooperate with that. This power may be only rarely, if ever, used but would enable IFR to protect clubs in the event of the most extreme examples of owner unsuitability or misconduct.

44 Orders under section 43: procedure, costs and liabilities

These are necessary powers to govern the process of ownership removal orders.

Part 5 DUTIES ON CLUBS AND COMPETITION ORGANISERS ETC

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

This prevents regulated clubs and clubs who have been in the regulated leagues in the previous 10 years from taking part in "prohibited competitions."

Prohibited competitions are to be "specified" in rules made by IFR. **Section 45** sets out the process for this. It is important that the Act allows IFR to act quickly to deal with new competitions launched at short notice, with powers to stop those which have begun without approval.

Section 45(5) sets out the matters to which the IFR must have regard when specifying a competition. They are:

a) whether the competition is, or would be, merit-based,

   i. operates, or would operate, on the basis of fair and open competition,

   ii. jeopardises, or would jeopardise, the sustainability of relevant competitions,

   iii. jeopardises, or would jeopardise, the sustainability of clubs operating teams in relation to relevant competitions, and

   iv. harms, or would harm, the heritage of English football, and

b) any other factors that the IFR specifies in rules.

Thus, for example, it seems that alterations to the FA Cup or provisions for Premier League games to be played in the USA, which contravene one of the tests in **45(5)** could lead to it being specified by IFR.

The wording does not limit the definition of prohibited competitions to wholly new competitions. This would seem to allow the IFR to specify an existing competition to which its organisers have proposed changes which significantly alter the nature of the competition, in a way which affects one or more of the IFR's objectives.

As is explained below, **sections 55(7) and (8)** oblige competition organisers to consult the IFR before changing a competition rule, in a material respect. Such consultation could lead to a specification of the relevant competition.

Sections 45(8) & (9) say that before specifying a competition as a prohibited competition, the IFR must—

a) take reasonable steps to determine the views of fans in England and Wales of regulated clubs about the competition being specified as a prohibited competition, and

b) have regard to those views.

The required consultation with "fans in England and Wales" does not encompass fans of clubs in England and Wales who live elsewhere. Note it also is not limited to fans of clubs proposed to take part in the proposed competition. Fans across all regulated clubs will be involved. FSA will engage with IFR on precisely how such consultation should be carried out.

46 Duty not to dispose etc of home ground without approval

This welcome clause restricts disposal, without IFR approval of any freehold or leasehold interest in a home ground or using its home ground, as security for a loan or other liability.

Section 46(6) says "The IFR must grant approval for the disposal where it is satisfied that the carrying on of the activity would not undermine the financial sustainability of the club…" There is no reference to any other matters being taken into account.

Consultation

There is no mention of a requirement, or even a power, for IFR to consult any other parties about a proposed disposal, such as supporters, local stakeholders, competition organisers, etc. FSA are continuing to lobby DCMS on this, and on how clubs where the home ground is in separate ownership will be treated.

47 Duty not to appoint administrator without approval

This prohibits the appointment of an administrator to a regulated club under the Insolvency Act without the prior approval of IFR. This is a welcome provision. There have been problems where football club insolvencies were rushed into appointments of administrators with adverse impacts.

Currently the PFL, EFL and FA have rules for dealing with insolvencies of clubs, which provide for points deductions in the event of a club insolvency. It is not yet clear how such regimes will continue after IFR has been established. The leagues will continue to be responsible for "football sanctions" on which we comment below. It will be necessary for their policies and procedures and those of the IFR to be aligned. For example, at present a points deduction is issued when it becomes known that it is proposed to appoint an administrator for a club. Further clarification will be needed about how such a rule operates alongside **section 47**.

48 Duty not to relocate without approval

This requires clubs to notify IFR when they propose to play home matches at a ground other than the club's home ground. IFR must give approval if it is satisfied that the proposals:

a. would not undermine the financial sustainability of the club, and

b. would not cause significant harm to the heritage of the club.

The final version of section **48(4**) provides some welcome new protections for supporters, by requiring IFR to specifically consider the extent to which a club has consulted them on its proposed new arrangements and satisfy itself that their views have been taken into account.

Occasional overseas games

Still under some discussion is how any proposal for a regulated club in a specified competition regularly to play one or more matches at a ground other than one where either of the competing teams customarily plays its home matches would be treated. This could include the mooted proposals for an extra fixture in the Premier League to be played each season by each team at a venue in the USA.

In Committee Stage of the Bill in the House of Commons, Minister of State Stephanie Peacock was explicit in confirming that the Government view is that the statutory fan consultation on "operational and match day issues" would encompass dialogue about the playing of game overseas before decisions about it were taken by clubs and competition organisers. FSA continues to work with the Shadow Regulator and others to make sure that guidance accompanying the Act supports this principle.

49 Duty not to change emblem or crest, home shirt colours or name without approval

Clubs may not change their emblem or crest or predominant home shirt colours without taking reasonable steps to establish that those changes are supported by a majority of the club's fans in England and Wales. Changes to club names require the approval of the Football Association, which has rules requiring fan consultation.

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

Clubs must promptly notify IFR about material changes in circumstances affecting IFR's functions.

51 Duty to keep fans informed of insolvency proceedings

Any regulated club that is subject to insolvency proceedings will be under a specific obligation to keep supporters informed of their progress. The meaning of "insolvency proceedings" is as defined by **paragraph 13(3**) of **Schedule 1.**

52 Duty to publish a personnel statement

This duty for clubs to publish online a statement identifying the club's owners and officers, and their responsibilities is welcome.

53 & 54 Duty to pay a levy/consultation & publication

IFR will be funded through a levy to be paid by clubs. These sections set out the necessary rules and procedures for that.

The final version of the Act contains two changes:

- reference to "leviable functions" has been dropped, and now costs relating to all IFR functions may be included in levy charges
- where some or all levy charges are not paid by a club within the specified period, the IFR will have the discretion to impose interest charges, linked to Bank of England base rates, if it deems this appropriate.

55 Duties to notify and consult the IFR

This deals with the challenge posed by IFR having regulatory responsibility for securing financial soundness of clubs, financial resilience of the English game and safeguarding the heritage of the game, whilst competition organisers will have separate, but overlapping, responsibility for running the "football side" of their competitions. This section requires competition organisers to notify IFR about financial risks, breaches of commitments under **section 23** and breaches of competition rules.

Competition organisers also have to notify IFR before penalties, sanctions or requirements are imposed on clubs for breach of competition rules and to tell IFR about any proposed changes in competition rules.

IFR will be able to impose financial sanctions of, broadly, up to 10% of turnover. Apparently separately from that, competition organisers may be able to impose points deductions for the same infringements, which could involve financial losses to the club far greater than 10% - if, for example, relegation from the Premier League ensues. This could involve an unacceptable form of "double jeopardy."

There needs to be a firmly established process whereby infringements of the Act / the licensing regime and infringements of competition organisers' rules are dealt with in a clearly defined sequence, with IFR having pre-eminence. FSA continues to push for clarity on how these processes will work and be reinforced by either Regulation or via statutory guidance.

Part 6 DISTRIBUTION OF REVENUE

56 overview and interpretation

Part 6 sets out a process for triggering a mediation process for distributing revenue received by one of the competition organisers and, if the organisers fail to agree after the process, enabling the IFR to make an order for the distribution.

The final version of the Act stipulates that the definition of "relevant revenue" puts parachute payments into the quantum of revenue subject to any distribution agreement.

Section 56(2) says revenue received by a specified competition organiser is "relevant revenue" if—

"(a) it is revenue received as a result of the sale or acquisition of rights to exploit the broadcasting of football matches included in a competition organised by the specified competition organiser; or

(b) revenue received from any other source specified, or of a description specified, in regulations made by the Secretary of State, and Football Governance Act."

The revenue is relevant if it is "received by the competition organiser." FSA have discussed how robust the wording of this clause is with DCMS officials. Their view is that the Secretary of State's powers to make Regulations to add revenue received of a new description, or from new sources, is sufficiently strong to thwart any attempts by clubs or competition organisers to put revenue beyond the reach of the Act.

Section 56 does not apply to income from UEFA or FIFA competitions.

57 Applications for resolution process to be triggered

This section provides for the process set out in Part 6 to be triggered when:

- one or more questions have arisen between that organiser and another specified competition organiser, and
- the question or questions relate to the distribution, in or in respect of one or more qualifying football seasons, of relevant revenue received by one of those organisers.

The section only enables the process to be triggered by a competition organiser and not by IFR itself.

Section 57 requires one of four conditions set out in the clause to be met before the process can be triggered. These cover situations where there is no distribution agreement in place, where the amount received by one competition organiser have materially reduced, where there has been a material change of circumstances or where an agreement is time expired.

58 Applications under section 57: procedural and other requirements

This sets out the process for competition organisers to trigger the mediation process. It enables them to determine the timing and format of representations with no clear role for IFR.

59 Decisions by the IFR on applications under section 57

The final version of the Act has been significantly changed because of amendments brought forward by the Government.

The most significant of these are all incorporated within that part of the Act (**sections 59-62**) dealing with powers to vary the manner in which relevant revenue is distributed between clubs, and the processes governing this.

Where an application is made under **section 57**, IFR must decide whether the resolution process should be triggered. It may only do so if one of the four conditions in 57 is met and if it has "has reasonable grounds to suspect that its ability to advance at least one of its objectives would be jeopardised if the resolution process were not triggered."

In making that decision the IFR may have regard to the purposes for which the distributed revenue would be used and whether the absence of a distribution agreement has arisen as a result of bad faith on the part of either of the specified competition organisers.

Section 59(5) is a new provision. Where the IFR is minded to trigger the resolution process, it is now required to consult the Football Association about the questions for resolution before doing so.

Section 59(7) is also new. It provides for circumstances in which the IFR decides upon questions to be settled by the resolution process, and those questions differ from those originally set out in the application under s.57. The IFR must explain what those differences are, and the reasons for them.

60 The mediation stage

This provides for the appointment of a mediator and timescales for the process.

The final version of the Act has new provisions, at **section 60(7)** and **60(8)**. These provide that, for one time only, the mediator themselves may make a written request for an extension to the time set aside for mediation for up to 28 days.

61 Proposal stage

At the end of the mediation process, if no deal has been reached, IFR must then invite the competition organisers to submit proposals with supporting evidence.

This section has been changed in one very important respect, in that it no longer provides for delegation of this function to a Committee of the Expert Panel. The

function must be exercised by the IFR Board (see also powers to trigger resolution under **section 59**, and consequential amendments under **sections 62 and 63**).

Section 61(3) has also been changed in one important respect. It now provides that in deciding questions for resolution, the IFR must set out any findings from its most recent State of the Game Report that it considers relevant.

Section 61(4) also stipulates that the IFR's questions for resolution are confined to those questions which have not been settled by the mediation process set out at **section 60.**

Section 61(5) requires competition organisers to submit proposals whereby they would set out how they would promote the sustainability of relegated clubs. This includes any specified questions that relate to "relegation revenue".

62 Distribution orders

As previously drafted, **section 62** in essence required a Committee of the Expert Panel of the IFR to assess proposals for distribution from both competition organisers. If both proposals met the criteria specified, the job of the IFR was then to choose whichever proposal it judged most likely to advance the achievement of its statutory objectives. The process was a binary one, with the IFR required to select one or neither of the proposals it received.

After prolonged representations from the FSA and others, this section has been rewritten from first principles, and now provides for the IFR to bring forward and implement its own proposal for distribution of revenue if it thinks it is more likely to promote delivery of its statutory objectives than either of those received from the competition organisers.

This process is subject to some constraints. The IFR must set out its reasons for making a distribution order of its own and give both competition organisers an opportunity to make representations about them, which it must have regard to.

In making its own Order, the IFR must ensure it does not place an undue burden on the commercial interests of either competition organiser. But it is entitled to impose such requirements as it judges are needed to ensure that it secures compliance.

Definitions of "relegation revenue" and a "relevant period" are set out within **62(9)**.

63 Duration and revocation of distribution orders

This provides for the duration of a distribution order to be set and for it to be revoked if necessary.

64 Review of distribution orders, payment of costs, etc

This requires IFR to keep under review the competition organisers' compliance in implementing distribution orders, whether to take enforcement action against them and whether to revoke an order. It can also make rules on the payment of costs incurred by it and other parties under **Part 6.**

Part 7 INVESTIGATORY POWERS ETC

65 Power to require information

Enables IFR to require any "person" to provide information. We assume that "person" here falls within the usual legal definition of that word as extending to legal entities such as companies which are "legal persons."

Whilst later provisions **(sections 66 and 68)** enable IFR to conduct investigations, it would be helpful for IFR to be able to turn-up, announced or unannounced, at a club to gather and assess current information. This is covered by the warrant process in in **Schedule 8 Para 3 (2).**

66 Reports on clubs by expert reporters

This enables the IFR to appoint an "expert reporter" to produce a report in relation to a club on any matter where it considers that is necessary, for the purpose of exercising the IFR's functions. The clause sets out processes for appointing such reporters and the means by which they can gather information to produce reports.

67 Meaning of "relevant infringement"

These are in **Schedule 7**. They cover breaches of requirements for the Bill and of the IFR, committed by clubs, owners, potential owners, officers, senior managers and a few others.

68 Investigations

This enables the IFR to conduct investigations where it has reasonable grounds for suspecting that a person has committed a relevant infringement, using powers set out in **Schedule 8.** IFR will have to notify the person(s) under investigation.

69 Outcomes of investigations

After an investigation into whether a person has committed a relevant infringement, the IFR must determine whether the person committed the infringement. If IFR finds either that there has been no infringement or that the person had a "reasonable excuse" (not defined) the matter will be closed. Where IFR finds there has been an infringement without a reasonable excuse, the steps available are set out in **Part 8.**

70 Commitments in lieu of investigations

The IFR may, instead of carrying out an investigation, accept an appropriate commitment from the person involved as to their behaviour in respect of the relevant infringement.

A commitment is "appropriate" if the IFR considers that the person's compliance with it would make it unnecessary to carry out the investigation. However, an investigation may ensue in relation to other infringements or in the event of changed circumstances or failure to comply with the commitment.

71 Section 70: supplementary

Provisions about notices and procedure relating to commitments under **section 70** and requirements for IFR to keep matters and people covered by them under review.

72 Duty to preserve information

People who know or suspect that an investigation is being or is likely to be carried out must preserve and protect and not falsify, destroy or conceal relevant information.

73 Privileged communications

The Act does not allow IFR or expert reporters to require production of privileged information i.e. that relating to their own legal advice or in connection with legal proceedings. IFR will need to ensure that this does not enable people under investigation unreasonably to deploy 'commercial confidentiality' or withhold material.

74 Requirement to publish certain notices etc

Does what it says in the title, in relation to investigations.

Part 8 ENFORCEMENT

75 Sanctions

The powers of IFR to deal with failure to comply with information requirements, with certain criminal offences and relevant infringements (**Schedule 7)**. Decisions on such matters will be dealt with by an Expert Panel **(Schedule 2).**

76 Warning notices

Where IFR is minded to apply sanctions under **section 75** it must give a warning notice to the person concerned, allowing them to make representations to IFR.

77 Decision notices

When the representation period in has expired, IFR must decide whether or not to apply the relevant sanctions.

78 Offences

This sets out criminal offences for destroying or falsifying information, giving false or misleading information or obstructing officers of the IFR. They are punishable by fines and up to 2 years imprisonment.

79 Urgent directions

If the IFR determines (whether as a result of an investigation or otherwise) that a person has, without reasonable excuse, committed a relevant infringement, which is continuing, and jeopardises the IFR's ability to advance one or more of its objectives, it can issue an urgent direction bringing the infringement to an end.

80 Requirement to publish certain notices etc

Notices of warning about proposed investigations, decisions following them and urgent directions must be published by IFR. This is a very welcome provision, assisting with transparency.

Part 9 REVIEWS AND APPEALS

81 Reviewable decisions etc

Where the IFR makes a reviewable decision (see **Schedule 10)**, it must notify each concerned person of their right to request a review by the applicable reviewer under **section 81** and, where applicable, their right to appeal under **section 84.**

"Concerned person" here means a person who appears to the IFR to be directly affected by the decision.

These rights to request reviews or to appeal against decisions may affect a range of people. In particular, many decisions regarding clubs and the game as a whole may directly affect supporters and other members of the communities served by clubs. It is hoped that IFR will accept that, where relevant, they be treated as such, not least because **section 1(3)** provides that "English football is sustainable if it (a) continues to serve the interests of fans of regulated clubs, and (b) continues to contribute to the economic or social well-being of the local communities with which regulated clubs are associated." FSA will continue to argue for this.

82 Internal reviews

Concerned person may require a review of a "reviewable decision" (**Schedule 10).** Such reviews are conducted by a panel or committee. The implementation of most reviewed decisions may be suspended by the reviewer.

83 Decisions on internal reviews

A reviewer may decide to uphold, vary or cancel the decision. They must notify the relevant concerned person(s) and publish the review decision. **Section 83(4)** says that where a review has been carried out but IFR has failed to notify each concerned person of the outcome within the allowed timescale, the reviewer is treated as having decided to uphold the reviewed decision.

84 Appeals to the Competition Appeal Tribunal

Internal reviews can take place on a wide range of IFR decisions. In addition, concerned persons may appeal to the (existing) Competition Appeals Tribunal in relation to a small list of decisions. These include the revocation of operating licences and the disqualification of owners and officers of clubs.

85 Proceedings before the Competition Appeal Tribunal

This defines the jurisdiction and powers of the Tribunal under this legislation.

Part 10 GENERAL

86 Disclosure of information by the IFR

IFR may disclose information it holds to specified organisations, including law and order agencies and the various football governing bodies, which disclosure would not breach any obligation of confidence.

87 Disclosure of information to the IFR etc

HMRC may disclose information to IFR to assist with the exercise of its functions. Also, the SofS may make regulations providing for other public bodies to do so.

88 Restrictions on the disclosure of information

This restricts the disclosure of information in contravention of data protection legislation and in a few other circumstances.

89 Information offences

Deal with some limited instances of wrongful disclosure of information under **Part 10.**

90 Rules

IFR may make, amend etc rules that supplement, or give effect to, any provision made by this Act. Procedures and a few limitations are set out. IFR is required to consult each specified competition organiser, and such other persons as the IFR considers appropriate.

91 Regulations

Section 90 also confirms the power for government to make further regulations by Statutory Instrument. Key regulations will require an affirmative vote in parliament while others can be made by SofS subject to MPs being able to seek to overturn them.

92 Minor definitions etc and 93 Index of defined terms

Various definitions.

94 Pre-commencement consultation

This new Section is designed to expedite the introduction of the Act after it receives Royal Assent.

In essence, where the Secretary of State or IFR have engaged in prior consultations that would have satisfied the standards imposed by the Act (had they taken place afterwards), both the Secretary of State and IFR are able to deem those prior consultations as satisfying their legal obligations under this Act.

95 Offences by officers of clubs and bodies corporate

If an offence under the Act committed by a club, or a body corporate other than a club, has been committed with the consent or connivance of an officer of the club or of the body corporate, or due to neglect on the part of such an officer, then that officer (as well as the club or the body corporate) is guilty of the offence and is liable to be proceeded against and punished accordingly.

96 Review of Act

This is a brand new section. It provides for a review by the Secretary of State of the impact and the effectiveness of the Act, which must be put before Parliament.

It stipulates that this review must take place within five years, and requires the Secretary of State to assess:

- the continuing appropriateness of the IFR's objectives
- the extent to which they are being achieved
- the impact of the Act on football in England and Wales
- and sets out the range of stakeholders that the Secretary of State must consult.

97 Payments into the Consolidated Fund

Makes provision for repayment to Government by IFR of its setting-up costs.

98 Minor and consequential amendments

Set out in **Schedule 12**

99 Extent

The Act applies to England and Wales although only to competitions where the majority of clubs are English. **98(3)** is an additional provision that allows the Secretary of State to add any of the Channel Islands or the Isle of Man to the scope of the Act.

100 Commencement

The Act comes into effect on dates set by the SofS. For some provisions that date will be the day when the Bill receives Royal Assent. They include the setting-up of IFR.

101 Short title

The Football Governance Act 2025.

Schedule 1 - meaning of owner

The current "owners and directors tests" in English football apply not only to formal legal owners but also to people defined in company law as "shadow directors" - those who don't have formal designated responsibility in the club's legal documents but who, in practice, take the key decisions. Those people have to pass the current test but the competition organisers currently refuse to disclose who has passed (or failed.)

Schedule 1 improves on that by saying that a person is an "owner" if they have the right to exercise, or actually exercise, significant influence or control over the activities of the club or hold the right, directly or indirectly, to appoint or remove an officer of the club, even if they don't hold >25% of the shares. This is a welcome strengthening. All such people will have to be named on the club's published personnel statement.

SofS will issue guidance on what constitutes "influence and control"; a priority, but will need to be laid before Parliament for at least 40 days.

There are detailed provisions on how such ownership is defined and assessed.

Schedule 2 - the Independent Football Regulator

This details the establishment of the IFR including matters such as its Board, Expert Panel and committees; staffing and remuneration; and other issues.

There continues to be no top limit on the number of people who can be appointed to the Expert Panel. It was previously twenty in early iterations of the Act.

Two new provisions, at Paragraph 7 of Part 2, and Paragraph 25 of Part 3, provide for the creation of a Register of Interests for both IFR Board Members, and members of the Expert Panel respectively.

Schedule 3 Transfer schemes

Provides for property and staff transfer.

Schedule 4 - Threshold requirements

A club may only obtain a full operating licence if it meets the threshold requirements set out in **Schedule 4.**

There are three categories of threshold requirements, relating to:

Financial resources - clubs' corporate structure, financial plan and strategic business plan, all in the context of the competitions the club plays in.

Non-financial resources - the qualifications, experience, training and performance of club owners and officers; the club's corporate governance arrangements and, confusingly, another mention for corporate structure and financial resources.

Fan engagement

Section 18 in the Act sets out that a full operating licence requires that a club must meet the threshold requirements in this Schedule. Those conditions relating to fan engagement are:

4 (1) The fan engagement threshold requirement is met, in relation to a club, if the club has adequate means by which—

- the club consults its fans about the relevant matters, and
- the club takes the views of its fans into account in making decisions about the relevant matters.

(2) The relevant matters are matters relating to—

a. the club's strategic direction and objectives;

b. the club's business priorities;

c. operational and match-day issues including ticket pricing;

d. the club's heritage;

e. the club's plans relating to additional fan engagement.

(3) Matters that relate to the club's heritage include matters relating to—

a. the club's home ground (within the meaning of **section 46**);

b. the crest or predominant home shirt colours of a relevant team operated by the club;

c. the name of a relevant team operated by the club."

(4) is a new provision, which includes insolvency proceedings (as defined by Schedule 1) to be regarded as 'relevant matters" for the purposes this Schedule.

Schedule 5 further sets mandatory licence conditions:

8. A fan consultation condition is a condition requiring a club to carry out regular consultation with persons appearing to the IFR to represent the views of the club's fans on relevant matters.

8(1) now makes explicit reference to "persons elected by the club's fans to represent their views" or an appropriate proxy.

8(2) provides that for the purposes of consultation clubs may be required to constitute a group to meet that purpose

9. (1) The condition may require the consultation to take place by specified means or at specified intervals.

(2) In considering what to specify for the purposes of sub-paragraph (1), the IFR must have regard to the size and composition of the club's fanbase.

Schedule 5 also sets out the staple elements of the new Corporate Governance Code for regulated clubs. Newly included here is a requirement to assess how a regulated club "contributes to the economic and social wellbeing of the local community with which it is associated".

Further information about the corporate governance code appears below.

Schedule 5 - Mandatory licence conditions

All operating licences, provisional and full, will require clubs to comply with four mandatory conditions relating to their financial plans, corporate governance, fan consultation and an annual declaration. **Schedule 5** sets out the required contents of these.

On corporate governance, all licensed clubs must submit to IFR and publish a corporate governance statement and report, updating periodically on:

a) the nature, constitution or functions of the club's "organs";

b) the manner in which the club conducts itself;

c) the requirements imposed on "organs" of the club; and

d) an annual declaration.

IFR must publish a code of practice on the topic. Before doing so, they must consult the FA "and such other persons as appear to the IFR to be representative of persons likely to be affected by the code." IFR must also produce an annual report on the subject.

Reference to equalities, diversity & inclusion (EDI) was a topic that FSA have lobbied DCMS on, and they have accepted that reference to these issues should feature in the Bill.

The mandatory licence conditions relating to fan engagement have been covered in the previous section, about **Schedule 4.**

Schedule 6 Commitments in lieu of financial discretionary licence conditions

These commitments, to be entered into between clubs and competition organisers are provided for in **sections 23 & 24.**

Schedule 7 Meaning of "relevant infringement"

This lists comprehensively the matters subject to the use of investigatory powers under **Part 7** and the application of sanctions under **Part 8.**

Schedule 8 Investigatory Powers

This gives the IFR powers to ask questions and to enter business premises under a warrant when conducting investigations under **section 67.**

Schedule 9 - sanctions relating to relevant infringements

Para 8 enables IFR to suspend or revoke full licences which are similar but somewhat shorter than those in **section 19** relating to provisional licences. These powers arise if one or more of three "aggravating conditions" apply. They are:

a) Intentional and persistent infringement;

b) Intentional and persistent failure to cooperate with IFR;

c) Where the relevant infringement jeopardises IFR's ability to advance one or more of its objectives (i.e. respectively - the financial soundness of clubs, the financial resilience of English football and the heritage of English football.)

Thus, if there is no “intentional and persistent” infringement, IFR can only revoke or suspend a licence if the third aggravating condition applies. We would seek assurances that, in an urgent case of serious wrongdoing at a club, but which is not “persistent” and which may not threaten the club’s “financial soundness,” revocation or suspension could be justified as relating to the financial resilience of English football (unlikely) or the heritage of English football.

We need to be sure that these powers, presumably intended to be available in all urgent and important cases, are always available to IFR when it needs them.

Schedule 10 Reviews

This defines “reviewable decisions” with a comprehensive list of IFR decisions on licensing, enforcing the duties on clubs, dealing with revenue distribution, imposing penalties, etc. Reviews may be required by a “concerned person” defined as “a person who appears to the IFR to be directly affected by the decision.” That will include clubs, competition organisers, club owners and officers. In relation to some types of decision, it might apply to supporters, who could be seen as being “directly affected” by some decisions.

Three of the entries in the table setting out “reviewable decisions: have been changed”:

a) triggering a resolution process under section 59

b) making a distribution order under section 62 and

c) revoking a distribution order under section 63

Are all now decisions for the IFR Board, and NOT a Committee of the Expert Panel.

Schedule 11 Index of defined terms

There are two new entries here:

- Bank of England Base Rate
- relegation revenue

Schedule 12 Minor and consequential amendments

Schedule 12 lists required amendment to other current legislation that will now need to include reference to the IFR – primarily the agencies and bodies that it will need to engage with. Notable here that this will include the Freedom of Information Act meaning the IFR falls within its scope.

The FSA is the national, democratic, representative body for football supporters in England and Wales. We are the leading advocates for supporter ownership, better fan engagement, cheaper ticket prices, the choice to stand at the match, protecting fan rights, good governance, diversity, and all types of supporter empowerment. As the national organisation we have regular contact with the Premier League, the EFL, National League, and the FA, as well as a whole host of other organisations within football such as the PFA and Kick It Out.

Any queries or requests for further information can be submitted to: governance@thefsa.org.uk