

Consultation response

Licensing: consultation response and
further consultation

Consultation Paper 2/26

Contents

1. Background	3
2. Overarching themes and comments	7
3. Licensing processes	14
4. Financial regulation	20
5. Corporate governance	27
6. Fan engagement	33
Annex A: Second Licensing consultation questions	41

1. Background

Summary

- 1.1 This document provides a summary of the feedback received on the Independent Football Regulator's (IFR) first licensing regime consultation (CP 5/25). It also sets out our response to that feedback and launches a follow-up consultation on specific licence conditions, rules and guidance.
- 1.2 This second consultation will run until 5 May 2026. The IFR intends to publish final licensing rules and guidance by 1 July 2026.
- 1.3 The IFR has considered all responses carefully. In determining its response, it has continued to be guided by its statutory objectives, duties and regulatory principles, as set out in the Football Governance Act 2025 (the Act).
- 1.4 The feedback in this document is not intended to be a comprehensive record of every response received, nor a comprehensive response to all individual views. Instead, it sets out the key feedback themes and the IFR's response.

The first licensing consultation

- 1.5 In October 2025, the IFR launched a first consultation on the design and operation of the licensing regime, including on how it will carry out some of its key responsibilities.
- 1.6 The IFR received 69 responses to this consultation. In addition to the formal consultation, the IFR has engaged extensively across football, discussing issues with clubs and competition organisers, hosting club webinars and speaking to key stakeholders such as the Football Supporters' Association (FSA).
- 1.7 Subsequent chapters summarise the feedback to the consultation. The first chapter provides summaries of overarching themes and comments, before specific chapters on:
 - a. licensing processes
 - b. financial regulation
 - c. corporate governance
 - d. fan engagement

The second licensing consultation

- 1.8 The IFR has considered the responses to the first consultation and has developed a detailed proposed licensing framework, informed by those responses. The IFR is now consulting on that framework, including:
- a. **IFR Licensing Guidance** for clubs across all parts of the licensing regime. This includes guidance on the licensing processes, financial regulation, non-financial resources, corporate governance, fan engagement, annual declarations, Discretionary Licence Conditions (DLCs) and clubs' duty not to change their crest, home colours, or name without approval.
 - b. **The IFR Licence and Mandatory Licence Conditions (MLCs)**. This is the standard licence that will apply to clubs. It sets out the terms of the licence and contains the four MLCs that apply to all clubs (and to both provisional and full licences). This is attached as an annex to the Licensing Guidance.
 - c. **Provisional Licence Application Guidance** (including the Provisional Licence **Application Form**). This provides specific guidance in relation to the provisional licence application and assessment process. Clubs must apply for a provisional licence by submitting an application to the IFR. The indicative Provisional Licence Application Form includes the questions that clubs will need to complete as part of this. Clubs must also complete a **strategic business plan forecasting template**, which must cover forecasting finances until the end of the following season.
 - d. **The Football Club Corporate Governance Code (The Club Code)**. This adopts a principles-based approach designed to focus on outcomes. Licensed clubs must produce a statement explaining how they apply The Club Code as part of their MLCs.
 - e. **IFR Licensing Rules**, which supplement the Licence and MLCs.
 - f. **Standardised reporting templates**. The IFR is consulting on two templates in addition to the strategic business plan forecasting template (both attached as an annex to the Licensing Guidance):
 - the **annual declaration template form** that licensed clubs will be required to complete and submit
 - the **corporate governance statement guidelines** that ensure club submissions meets the minimum information requirements
- 1.9 The IFR will consult on a reporting template for the financial plan ahead of the licence application window opening in November.
- 1.10 This template will reflect any lessons from the licensing pilot (where strategic business plans are submitted) and information we are requesting from clubs for

the State of the Game study, and to inform our approach to financial supervision. The reporting template will be designed to track how clubs are managing the principal risk metrics we have outlined in Chapter 4 to ensure they have appropriate financial resources.

- 1.11 Responses to this consultation can be made through the [IFR's consultation website](#). The IFR is seeking views on the specific drafting of the licensing framework documents. The survey guides clubs through the relevant sections of the documents the IFR is seeking feedback on. These questions can be found at Annex A and key elements of the approach are set out in the chapters 2 to 6.

Licensing next steps

- 1.12 The IFR intends to license clubs ahead of the 2027/28 season, with the provisional licence approval process conducted during the 2026/27 season.
- 1.13 Before the provisional licence application window opens, the IFR will engage with every club. Clubs will have an assigned supervisor they can contact for support.
- 1.14 The IFR will also run a pilot scheme for a representative cross-section of clubs to trial the provisional licence application process. Clubs have been contacted with details of the pilot scheme, asking for formal expressions of interest before 17 April 2026.
- 1.15 A summary of key findings from the pilot scheme, which may include examples of best practice, will be published for all clubs ahead of the November 2026 licence application process. Alongside this, the IFR will publish a supervisory approach document.

Table 1: Summary of licensing next steps

	Start date	End date
Second licensing consultation	17 March 2026	5 May 2026
Expression of interest in the pilot scheme	2 March 2026	17 April 2026
Allocation of supervisors		May 2026
Publication of final licensing rules and guidance		1 July 2026
Pilot scheme	July 2026	October 2026
Publication of pilot findings		October 2026
Application window for clubs in the top five divisions	2 November 2026	26 February 2027
Application deadline for clubs promoted to the National League	Once promotion is confirmed (see provisional licence guidance for details)	
Target date for decisions on provisional licences		By the end of May 2027
All clubs (licensed in 2027) transitioned to a full licence		By the end of May 2030

2. Overarching themes and comments

Introduction

- 2.1 This chapter sets out the cross-cutting themes and comments from the consultation feedback that the IFR wishes to respond to directly.

Summary of responses

More clarity and guidance

- 2.2 Most respondents were keen for the IFR to provide further detail than was set out in the first consultation document. This related to a number of areas and included wanting further clarity over particular definitions, the IFR's approach to different aspects of the licensing regime and what the guidance and reporting templates would contain.
- 2.3 Some clubs also wanted more clarity on what the IFR's supervision will look like in practice and the approach that IFR supervisors will take.

IFR response

- 2.4 The IFR acknowledges that it is important to provide further detail and guidance on the licensing framework. The first licensing consultation was conducted at a high level to establish foundational principles before developing detailed guidance informed by stakeholder feedback. This second consultation on the specifics of the draft licence, rules and guidance documents provides significant further clarity and detail. The proposed licensing framework establishes the responsibilities that clubs must fulfil to compete in the top five divisions of English men's football.
- 2.5 The IFR's licensing regime will be a principles-based, supervision-led regime, and the Licensing Guidance and wider licensing framework reflects this. It seeks to provide clubs with the flexibility to apply the key regulatory principles in a way that is appropriate and proportionate to their individual circumstances. It also provides flexibility for the IFR to take proportionate action based on risk, whilst continuing to acknowledge the importance of acting consistently.
- 2.6 The IFR intends to publish a supervisory approach document ahead of the first licensing application window opening (in November 2026). This will explain how IFR supervisors will work with clubs to help them achieve compliance with the licensing framework. The supervisory approach document will provide further detail on how clubs can manage key risks, including in areas such as liquidity.

Additional burden and proportionality

- 2.7 Many respondents, mainly clubs, raised concerns about the additional burden that the licensing regime places on clubs and particularly smaller clubs.
- 2.8 A number of respondents noted that clubs would need support in fulfilling their licensing obligations, whether that be through guidance and standardised templates, or more proactive support or training from the IFR. This was often raised in relation to the smaller clubs that the IFR regulates, which often have limited resources, sometimes with volunteer staff.
- 2.9 There was also a strong desire from many respondents for the IFR not to restrict the growth, investment and ambition of the clubs it regulates, and some concern that the proposals are too interventionist. On the other hand, several respondents did not think that the proposed approach went far enough.

IFR response

- 2.10 The IFR recognises that the licensing regime and its associated obligations will create an additional burden on clubs. It will always look to ensure that this necessary burden, which seeks to strengthen the short and long-term financial resilience of clubs and protect fans interests, is proportionate and minimised where reasonably possible. The IFR's risk-based approach to regulation will enable it to focus primarily on addressing issues at the riskiest clubs while also supporting clubs to meet the necessary licence conditions.
- 2.11 The IFR is also very mindful of the range of clubs it regulates across the top five divisions of English football. The IFR is committed to supporting clubs throughout the licensing processes. That is why:
- a. **Every club will be allocated a supervisor in May 2026.** This supervisor will be a direct point of contact within the IFR and will be available to answer any questions clubs have. Clubs from the National League North and South will also have a supervisor that they can contact.
 - b. **The IFR will publish its final licensing rules and guidance in July 2026,** four months before the first application window opens and eight months before it closes. This gives clubs sufficient time to familiarise themselves with the licensing regime and their licensing requirements. The IFR will continue to run webinars/events for clubs and competition organisers, as appropriate, ahead of the licensing application window.

- c. **The IFR will publish standardised reporting templates to help clubs with their reporting requirements.** These mandatory reporting templates will provide a clear framework, making it easier for clubs to complete their strategic business plan and annual declarations. The IFR will also consult on a financial plan reporting template later in 2026. Clubs will have the flexibility to report on corporate governance and fan engagement in a format that suits them, but the IFR will provide guidance to ensure they meet the minimum standards of reporting.
- d. **The IFR will run a pilot scheme for a representative selection of clubs, and will publish findings from it for all clubs,** ahead of November's application window. These findings could include examples of best practice to help all clubs, including those who did not participate in the pilot, in preparing their applications.

Minimising duplication with existing league reporting

- 2.12 A number of respondents raised the issue of consistency with competition organisers' existing rules and regimes to minimise duplicative burdens on clubs. Some respondents noted that the IFR's reporting requirements should seek to align with existing league reporting dates.
- 2.13 Some of the competition organisers proposed information sharing frameworks and/or agreements that would allow data to be more easily available across the industry. The competition organisers generally wanted to see cooperation and coordination from the IFR.

IFR response

- 2.14 The IFR fully recognises the value of cooperating with the competition organisers and will continue to work with them to reduce unnecessary burdens on clubs.
- 2.15 Key elements of the IFR's licensing framework have come from engagement with, and input from, the competition organisers. This includes for example, ensuring provisional licences are granted ahead of league Annual General Meetings, the detail of the strategic business plan reporting template, and the principles for fan consultation and reporting requirements.
- 2.16 The IFR has considered existing reporting deadlines in setting dates of reporting requirements under the MLCs. The table below maps out the IFR's standard reporting dates for MLCs across associated current competition organiser reporting dates. This is considered in further detail in the respective chapters on financial regulation, corporate governance, and fan engagement.

- 2.17 The IFR has statutory obligations and duties which it must meet as an independent regulator. It cannot fully integrate its approach with a league or rely entirely on league infrastructure to fulfil these obligations. It will have direct relationships and reporting channels with regulated clubs to fulfil its statutory obligations.

Table 2: Routine MLC reporting dates¹ and associated competition organiser reporting dates

Current annual League reporting deadlines²			
	Premier League	EFL	National League
Financial plans: 31 May 2028 (and annually or after a material change)	31 March	Championship: 31 March	31 July
		L1, L2: 31 May	
Corporate governance statement: 31 October 2027 (and every two years from this date or after a material change)	1 June 2027 The FA's Rule N requires clubs to submit workforce diversity data every two years No further corporate governance reporting is required		No current requirement
	Larger clubs are required by the Companies Act 2006 to publish S.172(1) statements on certain directors' duties. These typically form part of annual reports		
Annual fan consultation report: 15 August 2027 (and annually)	15 August Fan engagement report	31 July Fan engagement Plan (FEP)	No current requirement
Annual Declaration: 1 June 2028 (and annually)	No current requirement		

¹ Reporting dates are for clubs licensed ahead of the 2027/28 season

² The IFR recognises that competition organisers have various financial reporting deadlines each year. As this table focuses on the standard reporting dates for MLCs, which include clubs submitting a financial plan, we have chosen to highlight associated competition organiser dates in relation to forward financial planning – such as, 'future financial information' and 'pre-season budget packs'. **These reporting deadlines are based off current season deadlines (2025/26 season).**

Fan involvement in licensing processes and decision-making

- 2.18 A number of fan groups wanted fans to be involved and engaged in different aspects of the licensing processes. For example, at the point of assessment for a provisional licence, when seeking to apply a DLC, when considering compliance with the MLCs and sighting fans on club submissions.

IFR response

- 2.19 The IFR's regime is ultimately for the benefit of the fans, and it will continue to engage with fans and fan representatives to ensure that their voices are heard as the regime is implemented and overseen by the IFR.
- 2.20 The basis of the licensing process, and the IFR's powers and duties in this respect, are set out under the Act. Therefore, while the IFR will continue to engage with relevant fan representatives and groups where appropriate to understand fans' perspectives on key issues, fan representatives will not have a role in licensing decision-making.

More fundamental changes to the licensing framework

- 2.21 A small number of respondents advocated for fundamental changes to the licensing approach, even where the IFR's proposed approach directly reflects an explicit requirement of the Act. Examples included proposals to automatically award clubs provisional licences, skip the provisional licence stage and move clubs straight onto a full licence, and making certain corporate governance practices mandatory.

IFR response

- 2.22 In those cases where respondents' proposals are in direct conflict with the Act and/or where the proposals require the IFR to exercise discretion which is not permitted by the Act, the IFR has noted these proposals but not sought to address them in its response.

Plain English

- 2.23 Several respondents thought that the licensing framework could be easier to understand if the IFR used simpler 'plain English' terminology.

IFR response

- 2.24 The IFR agrees that the framework should be in plain English, where possible.
- 2.25 Where the Act defines specific terms, such as 'discretionary licence condition', 'strategic business plan' or 'provisional licence', the IFR will continue to use that terminology to maintain consistency.

- 2.26 In other cases, the IFR will prioritise plain English. For example, the term 'amended mandatory licence condition' (or 'amended MLC') will replace 'differentiated MLC'. Additionally, the IFR will now refer to the 'standards for fan representatives' instead of 'principles' to avoid confusion with the 'principles for fan consultation'

3. Licensing processes

Introduction

- 3.1 Chapter 2 of the first licensing consultation set out the IFR's proposed approach to the licensing processes and the form of the licence itself. This included:
- a. Plans to introduce provisional licences ahead of the 2027/28 football season with details of a pilot scheme and two application windows (including a separate, later window for National League North and South clubs)
 - b. The approach to provisional licensing and full licensing
 - c. The form and substance of the licence, the overarching approach to MLCs, DLCs, and Threshold Requirements
- 3.2 Respondents were invited to share their views on the following five questions, about the proposed licensing process:
1. *Do you agree with the IFR's proposed approach to the provisional licence application process for the 116 clubs in the top five divisions?*
 2. *Do you agree with the IFR's proposed approach to the provisional licence application process for the clubs promoted into the National League?*
 3. *Do you agree with the IFR's proposed approach to the form of a licence?*
 4. *Do you agree with the IFR's proposed approach to full licensing?*
 5. *Do you have any other comments on the IFR's licensing processes?*
- 3.3 This chapter summarises the key feedback from the licensing processes chapter of the first consultation and the IFR's response to that feedback. Generally, respondents were supportive of the IFR's approach, though several points of concern were raised.

Summary of responses

Approach to provisional licensing

- 3.4 Overall, the majority of respondents supported the IFR's approach to provisional licensing, welcoming the long familiarisation period, early application window, a pilot scheme for select clubs, and a separate, later application window for clubs with a chance to be promoted to the National League.
- 3.5 Nonetheless, a number of respondents raised questions and/or concerns about particular areas of the approach to provisional licensing. These are summarised below.

More clarity on the IFR's approach to key licensing processes

- 3.6 Several respondents, mostly clubs, wanted further clarity on the IFR's approach to refusing and/or revoking licences, noting the significant impacts this would have on a club and its fans.
- 3.7 Many respondents wanted clarity and guidance across different aspects of the licensing processes framework, such as the approach to DLCs and the transition to full licence.

The main provisional licence application window

- 3.8 Several respondents noted that the main application window (November 2026 to February 2027) falls at a busy period in the football season, including the January transfer window.
- 3.9 The IFR also received suggestions to extend the window, add flexibility to the deadlines, align with existing league deadlines, stagger deadlines within the application window, stagger licensing over a number of seasons and be mindful of the difficulty in forecasting finances so early in the season.
- 3.10 Some respondents thought that clubs, particularly from the lower leagues, would need additional support (e.g., through templates and guidance) throughout the process to help mitigate the additional burden.

The IFR's decision window for granting licences

- 3.11 Several respondents referenced the need to consider the existing sporting context within licensing decision timeframes by issuing licences earlier.
- 3.12 This included proposals for the IFR to grant licences in line with existing timeframes for UEFA and National League licensing (at the end of April or start of May) for relevant clubs. Separately, it was proposed that licensing decisions should be made ahead of the play-off competitions to avoid a scenario where a club is promoted via the play-offs but then refused a licence by the IFR.

National League North and South application window

- 3.13 Most respondents supported the IFR's proposed approach for a separate, later window (March to April 2027) for National League North and South. Many noted that these (often very small) clubs will need additional support from the IFR.
- 3.14 Some respondents had concerns with the proposed approach, noting that there will still be a substantial number of National League North and South clubs in with a chance of promotion at that stage of the season, resulting in a large number of unnecessary applications being prepared and submitted.
- 3.15 To address this, some respondents thought the IFR should invite applications later and speed up decision-making on provisional licences for clubs promoted

into the National League. Another respondent suggested a one-year grace period should be offered to clubs that have been promoted.

- 3.16 Others thought that the application window should close earlier and that decisions should be made ahead of the play-offs to ensure the sporting integrity of the play-off competition by ensuring only licensed clubs could compete.

The form of a licence

- 3.17 The majority of respondents were supportive of the IFR's proposed approach to the form of the licence.

Publishing details of Discretionary Licence Conditions

- 3.18 Several clubs expressed concerns about publishing details of DLCs that contain commercially sensitive information and about the risk that publication could compound financial distress, e.g., by affecting the club's ability to secure investment, funding or banking facilities.
- 3.19 Some clubs opposed any details of DLCs becoming public. Others recommended the IFR publish only generic disclosures i.e., that a DLC had been applied but not the detail of that DLC. On the other hand, some responses said that only in the most sensitive circumstances should DLCs not be published.
- 3.20 Responses also addressed how clubs should be engaged ahead of DLCs being published. This included a proposal for an internal IFR panel, separate from the IFR team that considered and applied the DLC, to hear clubs' views on the publication of that DLC.

Transition to full licence

- 3.21 Most respondents supported the IFR's proposed approach to the transition from provisional to full licence, which gives clubs three years to meet the standards expected of them on a full licence.

Earlier transition to full licence

- 3.22 Several clubs thought that the transition to full licence should happen sooner than three years, as many clubs (particularly larger clubs) will already be meeting the requirements or will be able to meet them in a shorter period.
- 3.23 Some respondents thought that larger clubs should be required to meet the Threshold Requirements more quickly than three years.

IFR response

- 3.24 The IFR welcomes that the majority of respondents agreed with the proposed approach set out in the licensing processes chapter, including the stages of provisional licensing, the form of the licence, and the transition to full licence.

- 3.25 In light of these responses, the IFR has retained the key stages of the process and drafted most key aspects of the licensing framework broadly in line with the approach proposed in the first consultation. Where changes have been made in light of the responses received, these are set out below.
- 3.26 There were several areas where respondents were keen to see more detail about the approach. This second consultation on the specific draft licence, rules, guidance and templates seeks to provide this additional level of detail.

Areas of change following the consultation

- 3.27 The IFR has made a number of changes and adjustments in relation to the licensing processes, having considered the consultation feedback.
- a. The proposed Licensing Guidance and Provisional Licensing Application Guidance provides **further clarity on the IFR's approach to licence refusals and revocations**. The IFR does not want to refuse or revoke a licence, given the consequences for the club and its fans. Where possible, it will deal with concerns through supervisory engagement ahead of any refusal or revocation. The IFR will support clubs to understand and facilitate compliance with the licensing regime. The detail provided in the Licensing Guidance, the Provisional Licence Application Guidance and the preceding chapter of this document highlights the IFR's approach to providing this support. However, clubs should be aware that the IFR will use its powers of refusal and revocation where necessary, for example in extreme cases of intentional and persistent non-compliance with the IFR's regime.
 - b. The proposed Licensing Rules and Provisional Licence Application Guidance set out that clubs from the **National League North and South are only required to submit applications once their promotion to the National League is confirmed**. For the top two clubs, the application deadline will be five days following the end of the regular season. For the play-off winners, the deadline will be five days following the play-off final. This is to ensure the regime is proportionate by reducing the number of unnecessary applications from Step Two clubs, which could be around 25 to 30 clubs in the March to April application window.

The IFR intends to make quicker decisions for these promoted clubs so that licences can still be granted ahead of the National League AGM. To facilitate this, the IFR will engage with all clubs in contention of promotion in March and will engage extensively with those that make the play-offs. This proposed early and extensive engagement should ensure that the proposed timings are viable.

The IFR recognises that this means there will be uncertainty about whether a promoted club will be granted a licence until after the play-offs have finished (or a club has already gone up automatically). The IFR considers

this drawback to be preferable for both the IFR and clubs, rather than having 25 to 30 National League North and South clubs apply for a licence that only four will need.

In this regard, the IFR expects that any club (National League North and South or otherwise) that engages suitably with the process should be able to get a provisional licence. National League North or South clubs will be allocated an IFR supervisor that they can contact for additional support.

- c. The proposed Licensing Guidance sets out that there is potential for **greater flexibility to transition clubs onto a full licence following at least one year on a provisional licence**. Ultimately, the full licence test requires clubs to demonstrate compliance with the MLCs and freestanding duties, as well as meeting the Threshold Requirements, before the IFR can grant a full licence.

Therefore, the transition from a provisional licence onto a full licence will require at least one year of reporting on the financial plan, corporate governance statement, fan engagement annual report and annual declaration. The annual declaration will be due one year after the licence is granted. Submission of this document marks the end of the first reporting cycle and is therefore the earliest point a club will be able to move onto a full licence. Further detail is set out in the Licensing Guidance.

Areas where the IFR has maintained its position

3.28 The IFR has considered the following points of feedback and has decided to retain its approach for the reasons explained below:

- a. The proposed Licensing Rules and Provisional Licence Application Guidance set out that **the application window for all clubs competing in the top five divisions of English football during the 2026/27 season will be 2 November 2026 to 26 February 2027**. The IFR understands that this can be a busy period in the football season for clubs. This is why the application window is almost four months long and closes almost eight months after the final rules and guidance will have been published. This window also allows clubs to familiarise themselves fully with the rules and guidance, begin an application, and then make adjustments as necessary following the January 2027 transfer window if clubs wish to submit applications later in the window.
- b. The IFR does not consider it feasible to run the application window any longer (e.g., to align with current league timeframes) without risking delays to licensing decisions ahead of League AGMs. This deadline is a key ask from competition organisers and is necessary to ensure certainty for clubs and competition organisers ahead of the upcoming season.

- c. The IFR has considered staggering deadlines within the application window to manage the flow of applications but wants to give clubs from all leagues the same opportunities. Furthermore, the IFR considers it more prudent to manage the flow of applications internally based on factors such as risk, rather than artificially triaging based on which league the club plays in.
- d. The proposed Licensing Rules and Provisional Licence Application Guidance set out that **the IFR will have an initial period of up to three months to assess provisional licence applications once they are deemed complete**. The IFR recognises that clubs and competition organisers may want these decisions earlier, for example in line with UEFA and National League licensing decisions in late April or early May. The IFR cannot guarantee this, while maintaining the same application window. Instead, it will look to grant licences as soon as feasible in the decision window and ahead of AGMs. Clubs can increase the likelihood of receiving an earlier decision by applying earlier in the application window and providing good quality applications.
- e. The proposed Licensing Guidance explains that, as a general approach, **the IFR will publish details of licensing decisions, including in relation to the application of amended MLCs and DLCs**. It is critical for transparency of the regulatory regime and for its own accountability that the IFR can demonstrate where action has been taken. However, the IFR recognises the concern that some clubs have over publishing elements of DLCs where this could exacerbate financial distress or reveal commercially sensitive information. The IFR will assess this on a case-by-case basis and may redact information where it is appropriate to do so, whilst considering clubs' views in that process.
- f. The proposed Licensing Guidance also contains some non-exhaustive examples of DLCs. This should give clubs a clearer sense of what disclosures may look like in practice.

4. Financial regulation

Introduction

- 4.1 Chapter 3 of the licensing consultation set out the IFR's proposed approach to financial regulation. This included:
- a. A requirement for clubs to prepare and submit a strategic business plan as part of the provisional licence application process, and a more extensive financial plan pursuant to an MLC
 - b. A requirement for clubs to conduct a financial risk assessment, including stress testing against realistic but adverse scenarios, supported by mitigation plans
 - c. A comprehensive financial assessment framework, through which the IFR will evaluate each club's liquidity, solvency, business model and governance to assess whether a club has the appropriate financial resources
 - d. A risk-based framework that supports proportionate supervision, with the power to impose financial DLCs where necessary
- 4.2 Respondents were invited to share their views on the following questions:
1. *Do you agree with the principles behind our approach to financial regulation?*
 2. *Do you agree with our approach to the appropriate financial resources Threshold Requirement?*
 3. *What further guidance on IFR expectations for appropriate financial resources will be beneficial?*
 4. *Do you agree with the proposed approach to the strategic business plan and financial plans mandatory licence condition?*
 5. *Do you agree with the IFR's proposed approach for stress testing and mitigation plans? Are there any additional scenarios you think should be required for all clubs?*
 6. *Do you agree with the IFR's proposed approach to identify and address systemic risks?*
 7. *Do you have any comments on the key considerations of solvency (including source of funds) and liquidity?*

8. *Do you have any other comments on the IFR's proposals for financial regulation?*

- 4.3 This chapter summarises the key feedback from the financial regulation chapter of the first consultation and the IFR's response to that feedback.

Summary of responses

Appropriate financial resources

- 4.4 In relation to appropriate financial resources, respondents raised concerns about the IFR's approach to the following:
- a. **Liquidity expectations**, requiring clubs to maintain sufficient access to cash resources could discourage investment, deter responsible current and prospective owners, weaken competitiveness across the football pyramid and place unrealistic expectations on smaller clubs with limited access to cash. Some respondents noted that the IFR should focus more on liquidity than debt.
 - b. **Reliance on owner funding** should not be viewed as a weakness noting that clubs operate under a range of funding models, which should be treated as equally valid. At the same time, respondents cautioned against favouring ownership models or prioritising wealth over capability. CP5/25 noted that certain clubs may be considered higher risk, for example 'those reliant on a single investor'. Several respondents were concerned and interpreted this as the IFR treating single-investor ownership models as high risk automatically, potentially incentivising unsuitable ownership arrangements or leading to unnecessary and disruptive changes to business models.
 - c. **Player trading** within the framework, highlighting the inherent uncertainty of transfer activity and questioning how anticipated player trading income would be assessed given the difficulty of predicting the timing and value of player sales.
 - d. **Debt** should not be viewed as inherently negative and should be clearly defined. Respondents encouraged the IFR to focus on the terms and risks associated with borrowing, rather than the presence of debt alone.
 - e. **Shareholder loans** should be considered using a more nuanced approach, noting that they are commonly used within football, often for tax efficiency. It was suggested by some that they should be treated as quasi-equity, while others cautioned against their use as a preferred funding mechanism.

Clarity on thresholds and indicators

- 4.5 Respondents requested greater transparency around the thresholds and indicators used in the IFR's assessments, including how clubs may be classified

as higher or lower risk, the publication of thresholds or supervisory trigger points and clarity on how different factors are weighted. Concerns were also raised about terms such as 'appropriate' and 'sufficient', which were considered vague and open to inconsistent interpretation, though respondents acknowledged the need for flexibility.

- 4.6 Respondents requested greater clarity on how the IFR will assess sources of funding, including expectations around funding reliability, replaceability, concentration risk and any supporting evidence that may be required.

Discretionary Licence Conditions

- 4.7 Respondents emphasised that the IFR should use financial DLCs with caution, applying them only where proportionate and supported by strong evidence. They noted that excessive use could discourage ambition and investment, deter owners and limit expenditure on squads, infrastructure and youth development, ultimately reducing competitiveness. They cautioned against liquidity-related DLCs as they could encourage cash hoarding and highlighted past compliance challenges in the leagues. Further concerns were raised that regulatory interference with debt structures could disrupt established business models and place clubs at a competitive disadvantage.

Financial reporting

- 4.8 In general, respondents did not oppose the reporting requirements but encouraged the IFR to avoid creating unnecessary administrative or regulatory burden, including by seeking alignment with leagues where possible and by providing necessary support to clubs.
- 4.9 Respondents questioned the practicality and realism of requiring clubs to produce a three-year financial forecast as part of the financial plan. Respondents highlighted the uncertainty with longer-term projections and suggested that shorter forecasting horizons, such as one or two years, or that a rolling forecast approach would be more appropriate. Whilst others did not oppose the forecast length, they did note that forecasts beyond the first year are less reliable and should be treated accordingly.
- 4.10 CP5/25 explained that clubs must submit an updated financial plan as soon as reasonably practicable following any material change in circumstances that could affect their financial position. Several respondents expressed concern that this requirement and the illustrative examples provided could be interpreted as creating automatic financial plan resubmission triggers, including in relation to activity such as player trading, and therefore requested more clarity on this requirement.

Risk assessment

- 4.11 Respondents provided feedback on the IFR's risk assessment approach, highlighting practical challenges, scenario relevance and ways to ensure a proportionate, risk-based approach:
- a. **Withdrawal of owner funding.** Several respondents indicated that it was unrealistic to model the sudden withdrawal of owner funding, noting that clubs usually have a period in which they can transition to a new owner and that developing mitigations is largely redundant as the issue is difficult to mitigate. Concerns were also raised about what would be acceptable as proposed mitigations. Some respondents highlighted confusion over the term 'withdrawal' in this context and others suggested that clubs not dependent on owner funding should be exempt from stress-testing this scenario.
 - b. **Significant revenue shock.** A few respondents felt that the definition of a revenue shock was too broad, with some noting that modelling such a scenario would be complex and potentially unnecessary.
 - c. **Relegation.** Some clubs stated that, to support a risk-based approach to financial regulation, those less likely to be relegated should not be required to undertake a relegation stress test. Others highlighted whether scenarios such as failing to qualify for Europe could be included as mandatory stress tests instead of relegation, where more relevant to the club concerned.
 - d. **Additional risk assessments.** A number of respondents suggested additional mandatory risk assessments, including major cost inflation or unforeseen costs, transfer market disruption, a downturn or promotion. Some also proposed optional scenarios, such as stadium closure, transfer market volatility and political changes affecting revenue.

Systemic resilience

- 4.12 Respondents highlighted a lack of clarity over the IFR's approach to assessing systemic resilience, particularly how systemic DLCs could be applied, cautioning that blanket responses to the risk could undermine competitiveness. They also suggested that the IFR appeared to be waiting for systemic risks to materialise rather than recognising current systemic issues.

IFR response

Areas of change following the consultation

- 4.13 The IFR has made a number of changes and adjustments in relation to financial regulation having considered the consultation feedback.

- a. The IFR agrees that reliance on a single funding source is common and that single-investor ownership should not be treated as automatically high risk. However, funding concentration may be a relevant risk factor that should be well managed.
- b. The IFR acknowledges the strength of concern about the proposed three-year outlook for the financial plan. The IFR maintains that the financial plan is an important tool for improving long-term planning, but recognises the limitations of the third year and has reflected this in the updated proposals. The proposed Licensing Guidance sets out that financial plans must be provided on the 31 May, meaning clubs would provide just over two years of forward-looking information. The financial plan template will be consulted on in autumn 2026 after the provisional licensing pilot, allowing clubs and leagues to review the detailed requirements ahead of the licence application window opening in November.
- c. The proposed Licensing Guidance provides clarity on the IFR's position on player trading, which is that this will not be treated as a guaranteed source of funding or a liquid asset in the proposed licence framework. The IFR recognises that it may form a legitimate part of a club's business model and therefore may be featured within a club's management actions or mitigation plans as part of its financial plan.
- d. The IFR agrees that neither debt or shareholder loans should be assessed in isolation or treated as inherently negative. The focus will be on whether borrowing is well managed and whether future commitments can be met without undermining liquidity or solvency.
- e. The proposed Licensing Guidance clarifies that the obligation to notify and submit an updated financial plan due to material change in circumstance is not triggered by the occurrence of an event in isolation but where the most recently submitted financial plan becomes materially inaccurate. Clubs are not expected to update their plans for every unplanned expense or activity where the overall outlook remains the same. This approach reflects the intent of CP5/25 while avoiding disproportionate burden.
- f. 'Withdrawal of owner funding' refers to an owner not continuing their plan of funding, rather than removing funds already put into the club. For clarity, this has been reframed as the 'Removal of a main source of funding' in the proposed Licensing Guidance. Potential exemptions for clubs not reliant on owner funding are reflected in the guidance. The IFR maintains that this risk assessment is crucial and all clubs should mitigate this scenario appropriately.
- g. Additional proposed stress tests, such as promotion or failure to qualify for European competition, are examples that may be included in a club's

bespoke risk assessments, as set out in the proposed Licensing Guidance. These stress tests do not form part of the requirements applicable to all clubs and will only be undertaken where a club chooses to do so or where the IFR determines that a specific material risk needs further assessment.

- h. In response to the need for greater clarity on the approach to systemic resilience, the IFR will evaluate systemic risks through the State of the Game study, which was launched in January, and will continue to monitor risks on an ongoing basis. Should the IFR determine that action is needed on any identified risk, it will consult separately on specific matters in future. This consultation focuses primarily on club-level financial soundness.

Areas where the IFR has maintained its position

- 4.14 The IFR has considered the following points of feedback and has decided to retain its approach for the reasons explained below:
 - a. The IFR does not intend to publish fixed numerical thresholds, rigid metrics or prescriptive weightings. The framework is intentionally principles-based rather than rules-based, reflecting the Act. The proposed Licensing Guidance provides further clarity on the risks clubs should consider when assessing whether they hold appropriate financial resources.
 - b. The IFR does not intend to impose a universal or one-size-fits-all liquidity requirement. Its approach is risk-based and proportionate, reflecting differences in clubs' scale, complexity, business models and risk profiles. Where the IFR considers that a club does not hold sufficient liquid assets to operate on a financially sound basis, it will require the club to take appropriate steps to address this.
 - c. The IFR does not intend to prescribe a single methodology for assessing sources of funding, recognising that funding arrangements vary across clubs. The IFR also acknowledges that owner funding plays a significant role in the financial soundness of many clubs and that different ownership models can operate successfully.
 - d. The IFR maintains that DLCs are an essential regulatory tool and must retain the ability to act where necessary to address identified risks to financial soundness. There is no proposed change to the policy approach on DLCs. The proposed Licensing Guidance provides further clarity on the IFR's approach to DLCs, including examples of DLCs in Annex B.
 - e. The IFR will maintain the three mandatory risk assessments and will not mandate specific mitigation plans. The proposed Licensing Guidance provides information on possible approaches, however, responsibility for mitigation rests with each club.

- f. The IFR will retain the relegation stress test for all clubs. Failure of European qualification will not replace this requirement for certain clubs. The IFR does not consider that any club is immune from relegation. The likelihood of a club getting relegated will be considered when assessing the club's risk assessment. For example, a club with a significantly lower risk of relegation can be expected to undertake a proportionate and less extensive risk assessment.

5. Corporate governance

Introduction

- 5.1 Chapter 4 of the IFR's first licensing consultation detailed how the IFR intends to establish the Football Club Corporate Governance Code (the Club Code or the Code). Key elements covered included:
- a. proposals to establish a single Club Code that would apply to all licensed clubs, setting out five proposed principles of good corporate governance, which addressed: the board; strategy and purpose; risk oversight and controls; board composition; equality, diversity and inclusion; and stakeholder relationships and engagement
 - b. a framework requiring clubs to prepare, publish and submit corporate governance statements, using the 'apply and explain' approach to describe their governance arrangements and demonstrate how these arrangements enable them to apply the Club Code's principles
 - c. a process through which the IFR would prepare and publish a periodic corporate governance report every two years, assessing the extent to which clubs are applying the Club Code
- 5.2 Respondents were invited to share their views on the following 6 questions, relating to the IFR's proposed corporate governance framework:
1. *Do you agree with the IFR's proposal for a single Club Code that applies to all licenced clubs?*
 2. *Do you agree with the IFR's proposed principles of the Club Code? Do you think these principles are proportionate and will effectively promote good corporate governance within football clubs?*
 3. *Are there additional principles you would suggest, or any changes to the existing proposals?*
 4. *Do you agree with the IFR's proposal that all clubs publish and submit their corporate governance statements every two years?*
 5. *Do you agree with the IFR's proposal to prepare and publish its corporate governance report every two years?*
 6. *Do you have any other comments on the IFR's proposals for corporate governance?*
- 5.3 This chapter summarises the key feedback from the corporate governance chapter of the first consultation and the IFR's response to that feedback.

Summary of responses

The Club Code and approach

- 5.4 The majority of respondents broadly supported the IFR's proposal for a single Club Code to apply to all licensed clubs, as long as it could be applied proportionately. However, some respondents were concerned that a single Club Code was a 'one-size-fits-all' approach and questioned whether a single Code *could* be applied proportionately throughout the football pyramid.
- 5.5 The majority of respondents were supportive of the IFR's proposed five principles with some noting their general consistency with other established corporate governance codes whilst addressing the unique nature of football. Some feedback expressed concerns that the principles did not adequately address the uniqueness of football or that they omitted a number of factors from the principles such as remuneration, safeguarding, conflicts of interest, discrimination, and workplace conduct, suggesting that these matters should be addressed explicitly in the Code.
- 5.6 The IFR also heard a concern that fans may perceive a failure to implement every recommended practice from the Code as an indicator of poor governance.
- 5.7 Some respondents considered that the Code needed to be enforceable or to mandate certain practices.

Board composition and independence

- 5.8 A number of respondents highlighted perceived challenges in having to appoint independent directors.
- 5.9 Some respondents suggested that the proposed principles do not adequately reflect the separation of duties between a club's executive and its board, with some proposing that the Code should mandate the distribution of authority between them. In addition, a point was raised that the Code gave insufficient weight to a board's requirement to deliver sporting success alongside financial soundness.
- 5.10 Some respondents expressed views that board members should be required to receive mandatory induction training and their performance should be periodically evaluated.

Equality, diversity and inclusion

- 5.11 The equality, diversity and inclusion (EDI) principle generated significant feedback from respondents. In general, the majority of respondents were in favour of the IFR's proposed principle on EDI. However, some calls were made for EDI to be defined to include socio-economic backgrounds and

neurodivergent individuals and not just the protected characteristics from the Equality Act.

- 5.12 Several respondents suggested that the EDI principle should focus on processes rather than quotas, while others argued that the EDI principle should mandate EDI targets.
- 5.13 Some respondents wanted the IFR to use planned licensing levers to treat weak EDI practice as a serious governance concern and weave EDI throughout all principles, supervision and reporting.

Stakeholder relationships and community contributions

- 5.14 There was general support for this principle. However, a question was raised regarding whether the Club Code adequately reflected the definition of corporate governance set out in the Act, specifically regarding clubs' contributions to economic and social wellbeing of the community.
- 5.15 Some respondents sought to ensure that clubs engaged with under-represented groups amongst their stakeholders.

Club corporate governance statements

- 5.16 There was near-unanimous support from clubs and competition organisers for clubs to submit their statements every two years. Conversely, other respondents argued that club statements should be annual, with some suggestions for statements to be complemented by periodic independent external reviews.
- 5.17 Some respondents expressed their support for a requirement for club statements to be in plain English and published in a manner that ensures they are accessible to all fans.

The IFR's corporate governance reporting

- 5.18 There was also near unanimous support from clubs and competition organisers for the IFR's proposal that it publish its corporate governance report every two years. As with club statements, other respondents believed the IFR should publish its report annually.
- 5.19 Questions were raised as to whether the IFR intends to publish scores or rankings for clubs or to 'name and shame' or otherwise identify clubs in its reports.

IFR response

Areas of change following the consultation

- 5.20 The IFR has made a number of changes and adjustments in relation to corporate governance having considered the consultation feedback:

- a. The IFR has reassessed the language of the principles and made amendments to ensure consistency with the Act throughout the Code. The IFR has also changed the title of the proposed Principle 3 to 'board composition and accountability' to better reflect the breadth of the principle's objective.
- b. While failure to apply the principles of the Club Code or to adopt appropriate corporate governance practices may be indicative of poor governance, a club's corporate governance statement is an opportunity for that club to explain how the practices it has adopted demonstrate its application of the Code's principles. The proposed Licensing Guidance emphasises that a club should not automatically be deemed to be poorly governed for not adopting every recommended practice of the Code.
- c. The IFR considers that it is for clubs to arrange training for (i) their board directors on their obligations as directors and (ii) directors and any employees on any applicable club policies and procedures. Furthermore, the IFR includes in the proposed Club Code a recommendation that club directors be provided with induction training on joining the board and periodic training thereafter.
- d. The IFR agrees with the suggestion that club statements should be in plain English and published in a manner that ensures they are accessible to all fans. This is set out in the proposed Licensing Guidance.
- e. The IFR maintains that the requirements of the Act in respect of the economic and social wellbeing of the local community were satisfied by the previously proposed principles. However, the IFR agrees that this could be made clearer and has therefore amended the proposed Principle 5 of the Club Code accordingly.
- f. The IFR has clarified in the proposed Club Code that clubs should ensure that their stakeholder engagement framework embraces typically under-represented groups.
- g. The IFR maintains that any corporate governance functions delegated to a group company or third party, such as risk management, remain the ultimate responsibility of the club's board. Consequently, these delegated arrangements must be fully described and explained in the club's corporate governance statement to ensure transparency.

Areas where the IFR has maintained its position

- 5.21 The IFR has considered the following points of feedback and has decided to retain its approach for the reasons explained below:

- a. The IFR acknowledges the views expressed that the Club Code needs to be enforceable or mandate certain practices. However, this is not possible under the Act.
- b. While the IFR recognises the importance of sporting success, it is for club boards to set their own purpose and strategy, including sporting ambition. In doing so boards should have regard to their responsibilities under the Act to maintain appropriate financial and non-financial resources.
- c. Similarly, whilst the Code advocates for a distinct separation of duties between the board and its executive, the board is responsible for defining those boundaries. In all cases the board must remain the ultimate decision-making body and maintain oversight of the executive.
- d. The IFR recognises that it may be challenging for some clubs to appoint independent directors to club boards. However, the IFR remains of the view that the independent thinking and constructive challenge offered by independent directors are key factors in strengthening corporate governance and improving decision-making on club boards. The proposed Club Code includes recommended practices that reinforce this position.
- e. While the IFR recognises that a club may believe that its circumstances prevent it from applying a principle of the Code, in accordance with the apply-and-explain framework the club should provide an explanation of why it has not applied that principle in its corporate governance statement.
- f. The IFR considers that factors such as safeguarding, conflicts of interest, discrimination, and workplace conduct are risks that clubs must manage, rather than needing to be explicitly stated in the overarching principles. These risks, and other factors such as remuneration, have been included in the recommended practices within the proposed Code.
- g. On the matter of who will determine whether the principles have been met, the IFR will determine if a club's statement fails to (i) adequately describe a club's corporate governance arrangements, or (ii) demonstrate that a club has applied the Club Code or any of its principles. Further, a benefit of club statements being published is that stakeholders may also use a club's statement to reach their own view of how a club has applied the Club Code.
- h. The IFR maintains that requiring clubs to publish statements every two years is proportionate, ensuring that club statements remain both meaningful and timely. This schedule also allows clubs to include up-to-date EDI data already compiled for the purposes of their compliance with The FA's Rule N. The risk of information becoming stale is mitigated by the requirement for clubs to resubmit and republish their statements following any material change to their corporate governance arrangements. The proposed Licensing Guidance provides further clarity on this.

- i. The IFR does not share the view that third-party assessments are necessary or proportionate, as all statements will be publicly available and subject to review by the IFR.
- j. The IFR maintains that publishing its own corporate governance report every two years, in line with cycle of club statements, is the most effective approach. The proposed timeline ensures sufficient time for a thorough analysis of club statements and supervisory observations, while still providing clubs with a full year in which to review the report's findings and implement any recommendations they deem necessary.
- k. The IFR report's primary objective is to provide a qualitative assessment of corporate governance in football and to identify key trends; as such the IFR does not propose to use the report to score or rank individual clubs, or to 'name-and-shame' clubs identified as not applying the Code or its principles. However, the IFR may name specific clubs to highlight examples of best practice.
- l. The IFR recognises that club boards are ultimately responsible for the governance of their clubs. Accordingly, club boards should evaluate the IFR's report within the context of their own circumstances. Any observations or recommendations should be applied where deemed appropriate to best strengthen their specific governance arrangements.

6. Fan engagement

Introduction

- 6.1 Chapter 5 of CP5/25 detailed how the IFR intends to establish a framework for meaningful and effective fan engagement at football clubs. Key elements covered included:
- a. Proposals to set principles for fan consultation that would help clubs to comply with the requirements of the Act, providing a best practice framework
 - b. A framework requiring clubs to publish annual fan consultation reports at the start of each season, setting out their approach to fan engagement and demonstrating compliance with the IFR's principles
 - c. Four proposed principles for regular consultation on relevant matters and taking fans' views into account: collaborative engagement, two-way dialogue, openness and integrated processes
 - d. Four proposed principles for the election of fan representatives: democratic election processes; independence from club influence, fair and equal opportunity for participation, and proportionate representation suited to club circumstances
 - e. An approach under which clubs would explain in their annual reports how their fan engagement approach complies with the IFR's principles, including a forward-looking summary for the coming season and a backward-looking review of the previous season, and
 - f. Powers for the IFR to require clubs to take specific actions related to fan engagement if concerns are identified, either using an amended MLC or a DLC
- 6.2 Respondents were invited to share their views on the following eight questions:
1. *Do you agree with the IFR's proposal to set principles for fan engagement, rather than setting rules requiring clubs to engage with fans in specific ways?*
 2. *Do you agree with the IFR's proposed principles for regular consultation on the relevant matters and taking fans' views into account?*
 3. *How do you define the relevant matters in the context of a football club and fan consultation?*
 - *the club's strategic direction and objectives*

- *the club's business priorities*
- *operational and match day issues, including ticket pricing*
- *the club's heritage*
- *the club's plans related to additional fan engagement*

4. *Do you agree with the IFR's proposed principles for the election of fan representatives?*

5. *What features should individuals or groups have in order to be representative of fans' views?*

6. Do you agree with the IFR's proposed approach to the annual fan engagement reporting requirement?

7. What support and guidance should the IFR give to clubs to help them comply with the annual reporting requirement? Do you agree with the proposed types of fan engagement discretionary licence condition the IFR can use?

8. Do you have any other comments on the IFR's proposals for fan engagement?

6.3 This chapter summarises the key feedback from the fan engagement chapter of the first consultation and the IFR's response to that feedback.

Summary of responses

Rules vs principles

6.4 Consistency. Overall, respondents expressed mixed views on the IFR's principles-based approach. While some welcomed the flexibility inherent in a principle-led framework, others argued that this model risks inconsistent application across clubs. These respondents felt that without clearer requirements, the approach could enable only superficial or 'tokenistic' engagement. As a result, several called for mandatory minimum standards within the broader principles, and some suggested a shift towards more prescriptive, rule-based regulation.

6.5 Flexibility. At the same time, many respondents emphasised the strengths of the principles-based model. They noted that principles allow clubs to tailor engagement practices to their unique circumstances and to innovate in how they interact with supporters. This flexibility was seen as particularly important given the varying resources and contexts across the football pyramid, helping to maintain proportionality within the licensing regime. More broadly, respondents also highlighted a desire for further clarity and guidance to support clubs in applying the principles effectively.

Consultation with fans groups

- 6.6 **Fan contribution.** A variety of views were expressed regarding consultation with fans groups. Certain respondents called for an increased involvement of fans while others considered that the proposed scope of fan engagement and consultation was sufficiently broad and comprehensive.
- 6.7 **Relevant matters.** Respondents were broadly supportive of the IFR's proposed principles for regular consultation on the 'relevant matters' listed in the Act. Views within scope largely focused on how each of the five relevant matters should be defined and applied in the context of individual clubs, including what specific issues should fall within those elements and how consultation should be carried out. Some favoured broader interpretations within the existing statutory framework, for example on the meaning of 'operational and matchday issues'. Certain respondents called for the IFR to go much further and suggested that fans be consulted on everything other than on-pitch decisions and team selection, or additional non-exhaustive examples. Others considered the IFR's proposed definitions to be sufficiently clear and appropriately scoped.
- 6.8 **Requests to extend the list of relevant matters.** A number of respondents also suggested extending the list of relevant matters to cover additional areas, such as wider business issues, or to include fan involvement in the development of clubs' fan engagement frameworks and longer-term planning. The IFR notes these views, however, the five relevant matters are fixed by the Act, and the IFR is not able to broaden that list.
- 6.9 **Topics for consultation.** Some respondents suggested that the IFR explain the difference between consultation and notification, arguing that consulting on matters is an onerous obligation for clubs and that keeping fans aware and informed is much more reasonable. Other respondents were also keen to emphasise the importance of fan involvement and consultation regarding heritage preservation and stadium development plans.
- 6.10 **Decision-making.** Certain respondents expressed reservations about fan engagement on strategic or business priorities, arguing that this should remain solely to the discretion of the club and club board. Some respondents felt that, in line with that, the IFR should emphasise that clubs are not bound by fan views in consultation and that fans should be made aware that club autonomy will still be the prevailing determinant of club decision-making. Certain clubs also argued that not all matters that impact fans need consultation, with some matters purely being up to the club to decide.

Consistency of evaluation

- 6.11 **Consistency.** Respondents raised several concerns about the consistency of the IFR's evaluation of fan reports, and the need for clearer guidance. Some expressed worry about how evaluation would be conducted consistently across

different clubs, suggesting that the IFR should create a rating framework to ensure standardised assessment. There were calls for the IFR to provide clear definitions of what constitutes non-compliance, as well as to review submitted reports and offer feedback to clubs. Some proposed that the IFR could publish summary papers highlighting examples of good practice and identifying areas for improvement.

- 6.12 **Proportionality.** Additionally, there was recognition that a one-size-fits-all approach would be problematic given the varying scales and resources of clubs across different levels of the football pyramid. Some responses specifically suggested that a multi-tiered approach should be adopted, given the different circumstances of clubs depending on which league they compete in. Concerns were also expressed that requirements should be proportionate and mindful of factors such as geographical and economic differences.

Representation and independence of fan groups

- 6.13 **Independence.** Respondents raised mixed views on the composition, selection, and function of fan representative groups. There were calls for these groups to be inclusive and diverse, with some suggesting that elected groups should be approved by the FSA, while others emphasised that the election process should be proportionate to club size to avoid undue burdens on smaller organisations. Many emphasised the critical importance of independence for fan representatives, stating there should be no financial incentives or gains for those elected.
- 6.14 **Complexity.** Several respondents expressed concerns about fan representatives' capacity to engage meaningfully with complex business matters.
- 6.15 **Supporters' trusts.** Some respondents advocated strongly that trusts should have an automatic seat on fan boards given their democratic structures and independence.
- 6.16 **Diversity.** Some respondents raised concerns that formal election processes might result in less diversity in representation. Further respondents emphasised that clubs should demonstrate genuine management engagement with fans, ensuring that senior leadership actively participates in the consultation process.

Reporting

Administrative burden

- 6.17 **Duplication.** Respondents expressed strong concerns about duplication of existing league reporting requirements, and the resulting administrative burden where guidance already exists. There was also a clear call for the IFR to explicitly articulate the differences between IFR reporting requirements and existing league requirements to help clubs understand where additional effort

was needed. Some respondents suggested mandatory annual reporting with IFR requirements taking precedence over existing reports to establish clear primacy and avoid confusion.

- 6.18 **Proportionate.** Some respondents stressed that reporting requirements should be proportionate, recognising that smaller clubs with limited capacity should not face the same administrative burden as larger organisations.

Concerns of sharing confidential or sensitive information

- 6.19 **Confidentiality.** Respondents raised concerns about sharing confidential or commercially sensitive information, noting that clubs should be able to redact business-critical details during fan consultations. Opinions were divided on requiring fan sign-off on reports: some argued it was unnecessary and risked causing delays, while others saw it as important for ensuring meaningful engagement.

Further views on reporting

- 6.20 **Feedback.** Some respondents suggested empowering fan groups to produce independent reports alongside the club's submission, either within or alongside, the annual report. They also proposed that the IFR should review these reports, give feedback to clubs, and publish summary papers highlighting good practice and areas for improvement.
- 6.21 **Compliance.** Respondents sought clearer guidance on what it means to 'take fans' views into account' noting the subjectivity of this requirement. There were also calls for clarity on the expectations of the annual report, including the detail and evidence needed to demonstrate compliance.
- 6.22 **Threshold Requirement.** There was a suggestion that the Threshold Requirement related to fan engagement should form part of the provisional licence process rather than coming into force later, ensuring standards were embedded from the outset of regulation.

IFR training and support

- 6.23 **Support.** Respondents suggested further measures to strengthen fan engagement, including a formal route for fan representatives to raise concerns with the IFR, IFR-led training and ongoing support for clubs and fan representatives, and explicit reference to EDI in the principles to promote inclusive matchdays and address discrimination and hate.

IFR response

- 6.24 The IFR welcomes the fact that a majority of respondents supported the proposed approach to fan engagement, including a principle-led framework to ensure fan consultation on the relevant matters and the production of an annual

report containing both a forward-looking summary for the coming season and a backward-looking review of the previous season.

- 6.25 The IFR has created a more detailed, principle-led and proportionate framework in line with the approach proposed in the initial consultation.
- 6.26 The guidance is designed to help clubs understand and apply the principles, in line with existing league reporting requirements where applicable to minimise additional workload and avoiding duplication. It also explains the IFR's expectations for reporting and provides further recommendations on the types of additional evidence clubs may submit to demonstrate effective fan engagement.
- 6.27 The guidance also covers the IFR's approach to changes to club crests, predominant home shirt colours and names, which are relevant both to the fan consultation MLC and the Threshold Requirements, and to the related requirement in section 49 of the Act. Under that requirement, clubs must take reasonable steps to ensure majority fan support for material changes to emblems, crests and predominant home shirt colours, and get FA approval if they plan to change their name. Clubs should refer to this guidance when considering their obligations under section 49.
- 6.28 As part of the IFR's supervisory-led approach, clubs will receive feedback on their reports and the IFR will share best practice examples with all clubs.

Areas of clarification following the consultation

- 6.29 Considering the feedback received from the first consultation, the IFR has made sure to clarify the following elements in developing its guidance:
- a. The IFR recognises the need for a consistent approach when assessing reports. As is the case more generally, when assessing reports, the IFR will have regard to its regulatory principles in the Act, including the need to act consistently while still recognising differences between clubs and the circumstances affecting them.
 - b. The IFR agrees that fans should help shape each club's fan engagement framework and strategic plans. The proposed Licensing Guidance clarifies the two-way engagement principle (principle 2 in the IFR's principles for fan consultation) to encourage genuine dialogue rather than one-way communication. The IFR may ask for further evidence from clubs to demonstrate this.
 - c. The IFR agrees that clubs are the decision-makers following any fan consultation and input. This is reflected in Schedule 4 and Schedule 5 of the Act, which requires clubs to consult fans and take fan views into account rather than follow them. The IFR has articulated this clearly within

the proposed Licensing Guidance.

- d. The IFR agrees that clubs' consultation with fans must be appropriate and effective. For this reason, expectations around meeting frequency and agenda items have been clearly set out, while still allowing clubs enough flexibility to determine the best approach for them.
- e. The IFR recognises the need for proportionate reporting. Each club will have to submit an annual report explaining and evidencing how it has met the IFR's principles for fan consultation, but the proposed Licensing Guidance explains that the IFR expects clubs to apply each principle in a proportionate way that is appropriate to their circumstances.
- f. To clearly distinguish the *principles for electing fan representatives* from the *principles for fan consultation* and to keep terminology simple and consistent, the IFR will now refer to the principles for electing fan representatives as the *standards for electing fan representatives*.

Areas where the IFR has maintained its position

6.30 The IFR has considered the following points of feedback and has decided to retain its approach for the reasons explained below:

- a. The IFR confirms that the principles for fan consultation are mandatory but does not support a rules-based approach. Instead, it has drawn on existing best practice to allow clubs flexibility in how they meet each principle, ensuring proportionality for clubs of different sizes and resources.
- b. The IFR does not intend to produce a non-exhaustive list of relevant matters, as the Act is already clear and prescriptive on this point. The guidance reflects what is stated in the Act as to the relevant matters that fans should be consulted on.
- c. The IFR does not support mandating specific fan groups or limiting engagement to only FSA approved groups. The IFR's Licence and Mandatory Licence Condition (Annex A of the Licensing Guidance) on fan consultation set out clear requirements for how clubs should conduct a fair and transparent election process and the guidance sets out additional standards for clubs in this regard.
- d. The IFR maintains that clubs must have an elected or appointed fan representative or group. The proposed Licensing Guidance explains the standards for electing fan representative(s), ensuring the process is open, transparent and independent, and where representatives are appointed, the IFR must be satisfied they genuinely reflect the wider fan base.
- e. The IFR agrees that fan representatives should not have any conflicts of interest or be subject to undue influence from the club. The proposed

Licensing Guidance explains that the election should be 'independent' in that the election process, candidates and outcomes must remain free from manipulation or undue influence by the club. The guidance also explains how the independence principle applies to fan-owned clubs, where supporters will have a collective financial interest in the club.

- f. The IFR maintains the position that clubs will need to demonstrate that senior management, including at board level, should be informed of fan consultations and engagement to demonstrate a two-way, collaborative approach. However, specific approaches may differ from club to club.
- g. To avoid duplication and burden, clubs may use existing Premier League/EFL reporting templates to fulfil the IFR's requirements to produce an annual fan consultation report. The IFR, however, may ask for additional information to demonstrate compliance with its principles for fan consultation. The proposed Licensing Guidance provides further information on this.
- h. The IFR does not propose to specifically empower or otherwise require fan groups to produce fan reports. However, fan groups may produce their own reports if they wish to do so. The IFR may also consult fan groups when evaluating the quality of fan consultation.

Annex A: Second Licensing consultation questions

Question 1: Do you have any specific comments on the IFR's proposed Licensing Guidance, in relation to:

- a. Chapter 1 (Licensing Overview)?
- b. Chapter 2 (Financial Regulation)?
- c. Chapter 3 (Non-Financial Resources)?
- d. Chapter 4 (Corporate Governance)?
- e. Chapter 5 (Fan Consultation & Engagement)?
- f. Chapter 6 (Annual Declarations)?
- g. Chapter 7 (Discretionary Licence Conditions)?
- h. Chapter 8 (Duty Not to Change Crest, Home Shirt Colours or Name Without Approval)?

Question 2: Do you have any specific comments on the IFR's proposed Licence and Mandatory Licence Conditions, in relation to:

- a. The Licence?
- b. Condition A (Financial Plans)?
- c. Condition B (Corporate Governance Statement)?
- d. Condition C (Fan Consultation)?
- e. Condition D (Annual Declaration)?

Question 3: Do you have any specific comments on the IFR's proposed reporting templates and guidelines, in relation to:

- a. The Corporate Governance Statement Reporting Template?
- b. The Annual Declaration Reporting Template?

Question 4: Do you have any specific comments on the IFR's proposed Provisional Licence Application Guidance in relation to:

- a. The Guidance document?

- b. The Provisional Licence Application Form Section 2 (Strategic Business Plan)?
- c. The Provisional Licence Application Form Section 3 (Personnel Statement)
- d. The Strategic Business Plan Forecasting Template?

Question 5: Do you have any specific comments on the IFR's proposed Football Club Corporate Governance Code?

Question 6: Do you have any specific comments on the IFR's proposed Licensing Rules?