



FFM CLUB LICENSING AND FINANCIAL SUSTAINABILITY REGULATIONS

FOR PARTICIPATION IN THE UEFA CLUB COMPETITIONS

December 2022

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Pursuant to the Article 109 of the Statutes of the Football Federation of Macedonia (FFM), and in accordance with implementation of the provisions of the UEFA Club Licensing and Financial Sustainability Regulation – Edition 2022, the FFM Executive Committee at its meeting held on 23.12.2022 adopted this:

FFM CLUB LICENSING AND FINANCIAL SUSTAINABILITY REGULATIONS FOR PARTICIPATION IN THE UEFA CLUB COMPETITIONS

I. GENERAL PROVISIONS

Scope of application

Article 1

The Football Federation of Macedonia (hereinafter: the FFM), under these FFM Club Licensing Regulations for Participation in the UEFA Club Competitions (hereinafter: Regulations), regulates all issues regarding the FFM club licensing system for participation in the UEFA men club competitions on the territory of the Republic of Macedonia.

FFM is responsible to follow the development process of the FFM club licensing system for participation in the UEFA club competitions.

These regulations shall regulate the procedure of the FFM licensing for participation in the UEFA club competitions and issuing of the UEFA license.

Article 2

These Regulations governs the rights, duties and responsibilities of all parties involved in the FFM club licensing system for participation in the UEFA club competitions, and defines in particular:

- a) the minimum requirements to be fulfilled by FFM in order to act as the Licensor (FFM) for the MFU member clubs, and the procedures to be conducted by the Licensor (FFM) in the assessment of the club licensing criteria.
- b) the Licence applicant and the UEFA Licence necessary to participate in the UEFA club competitions.
- c) the minimum sporting, football social responsibility, infrastructure, personnel, and administrative, legal and financial club licensing criteria which have to be fulfilled by a club in order to be granted the UEFA Licence to enter the UEFA club competitions.

These Regulations governs the rights, duties and responsibilities of all parties involved in the UEFA club monitoring process, to promote UEFA financial sustainability objectives, and define in particular:

- a) The roles and tasks of the UEFA Financial control Body, the minimum procedures to be followed by FFM in the assessment of the club monitoring requirements, and the responsibilities of the licensees during the UEFA club competitions.
- b) The club monitoring requirements to be fulfilled by the licensees that are admitted to the UEFA club competitions.

Article 3

The Club Licensing system shall be applied to the clubs that have submitted a request for issuing a Licence for the participation in the UEFA club competitions (UEFA Licence).

The Club Licensing system also applies in extraordinary cases as described in Article 20.

The UEFA Licence does not automatically grant access to FFM club competitions.

Objectives

Article 4

These Regulations aims to:

- a) further promote and continuously improve the standards in development of club football, during which a continued priority to the training and welfare of young players in every club will be the focus;
- b) promote participation in football and contribute to the development of women's football.
- c) ensure that a club has an adequate level of management and organisation;
- d) adapt club's sporting infrastructure to provide players, spectators and media representatives with suitable, well-equipped and safe facilities;
- e) protect the integrity and smooth running of the UEFA and FFM club competitions;
- f) safeguard each clubs identity, history and legacy;
- g) encourage cooperation between licensors and clubs and enable development of benchmarking for clubs in financial, sporting, legal, football social responsibility, personnel, administrative and infrastructure related criteria through Europe;
- h) embrace social responsibility in football;
- i) promote healthy relationship between clubs and supporters and increase accessibility in football.

These Regulations aim to promote more discipline and rationality in club financial finances and in particular:

- a) to improve the economic and financial sustainability of the clubs, increasing their transparency and credibility;
- b) to place the necessary importance on the protection of the creditors,
- c) to promote cost control;
- d) to encourage clubs to operate on the basis of their own revenues;
- e) to encourage responsible spending for the long term benefit of football;
- f) to protect and long term viability and sustainability of European club football.

Definition of terms

Article 5

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

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

Agent/intermediary -A natural or legal person who, for a fee or free of charge, represents players and/or clubs in

negotiations with a view to concluding an employment contract or represents clubs in negotiations with a view to concluding a transfer agreement.

Agreed-upon procedures - Procedures that have been agreed to by the auditor and the engaging party and, if relevant, other parties.

Annual accounting reference date - The date on which the reporting period for the annual financial statements ends.

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

Auditor - An independent audit firm acting in compliance with the International Code of Ethics for Professional Accountants (including International Independence Standards).

CFCB - UEFA Club Financial Control Body

Club licensing criteria - Requirements, divided into six categories (sporting, football social responsibility, infrastructure, personnel and administrative, legal and financial), to be fulfilled by a licence applicant for it to be granted a licence.

Club monitoring requirements - Requirements to be fulfilled by a licensee that has been admitted to the UEFA Champions League, the UEFA Europa League or the UEFA Europa Conference League.

Control-The power to conduct the activities of an entity and to direct its financial, operating or sporting policies which affect returns, by means of share ownership, voting power, constitutional documents (statutes), agreement, or otherwise.

Examples of control include a party:

- a. holding a majority of the shareholders' or members' voting rights;
- b. having the right to appoint or remove a majority of the members charged with the governance of an entity (e.g. any administrative, management or supervisory bodies of an entity);
- c. being a minority shareholder or a member of the entity and alone, pursuant to an agreement entered into with other shareholders or members of the entity or by any other means, being able to exercise control (including as defined under (a) or (b)).

Costs of a player's registration- Amounts paid or payable directly attributable to a player's registration, comprising:

- a. fixed transfer compensation;
- b. realised conditional transfer compensation for amounts which have become payable during the period;
- c. any other directly attributable amounts paid and/or payable to another party such as another football club, agent/intermediary, or national football association/league.

Depreciation - The systematic allocation of the depreciable amount of a tangible asset over its useful life, i.e. the period over which an asset is expected to be available for use by an entity.

Directly attributable - Directly attributable means, in relation to a particular activity, that:

- a. the expense would have been avoided if that particular activity had not been undertaken; and
- b. the expense is separately identifiable without apportionment.

Dividends - Distributions paid to holders of equity instruments.

Employee benefit expenses - All forms of consideration given by an entity in exchange for services rendered by employees or for the termination of employment, including in respect of directors, management and those charged with governance.

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

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

Group - A parent and all its subsidiaries. A parent is an entity that has one or more subsidiaries. A subsidiary is

an entity, including an unincorporated entity such as a partnership, that is controlled by another entity (known as the parent).

Impairment of tangible assets - An impairment loss, being the amount by which the carrying amount of a tangible asset exceeds its recoverable amount, i.e. the higher of an asset's fair value less costs to sell and value in use.

International Financial Reporting Standards (IFRS) - Standards and Interpretations issued by the International Accounting Standards Board (IASB). They comprise:

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

ISRS 4400 - International Standard on Related Services 4400 (Revised), Agreed-Upon Procedures Engagements.

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

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

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

Licence - Certificate granted by the licensor confirming fulfilment of all minimum criteria by the licence applicant as part of the admission procedure for entering UEFA club competitions.

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

Licensee: Licence applicant that has been granted a licence by its licensor. Licensor

UEFA member association or its affiliated league that operates the club licensing system, grants licences and undertakes certain tasks in respect of the club monitoring process.

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

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

Minimum criteria - Criteria to be fulfilled by a licence applicant in order to be granted a licence.

Monitoring documentation - The documentation to be submitted by a licensee as defined in respect of each of the club monitoring requirements.

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

Net debt - The aggregate of the following balances:

- bank overdrafts, bank and other loans, accounts payable to group entities and other related parties less cash and cash equivalents;
- net player transfers balance, i.e. the net of accounts receivable from player transfers and accounts payable from player transfers; and
- accounts payable to social/tax authorities (non-current).

Net result - The total of all items of income less expenses in a period, in profit or loss.

Parties involved - Any person or entity involved in the UEFA club licensing system or club monitoring process,

including the UEFA administration, the CFCB, the licensor, the licence applicant/licensee and any individual involved on their behalf.

Party - A natural or legal person, a legal entity or a government.

Player registration(s) - Player registration(s) has the meaning set out in the FIFA Regulations on the Status and Transfer of Players.

Profit/loss on disposal of tangible assets - The profit or loss calculated as the difference between the net disposal proceeds, if any, and the carrying value (as per the balance sheet) of the tangible asset at the date of disposal.

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

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

- a. A person or a close member of that person's family is related to a reporting entity if that person:
 - i. has control or joint control of the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b. An entity is related to a reporting entity if any of the following conditions applies:
 - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii. The entity and the reporting entity are controlled, jointly controlled, or significantly influenced by the same party.
 - iii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iv. A party has significant influence over the other entity.
 - v. Both entities are joint ventures of the same third party.
 - vi. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - vii. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - viii. The entity is controlled or jointly controlled by a person identified in a).
 - ix. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - x. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Reporting entity/entities

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

Reporting period - A financial reporting period ending on the reporting's entity annual accounting reference date.

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

Significant influence - The power to participate in the financial, operating or sporting policies of an entity, but not in control or joint control of that entity, by means of share ownership, voting power, constitutional documents (statutes), agreement, or otherwise.

Examples of significant influence include a party:

- a. holding, directly or indirectly, between 20% and 50% of the shareholders' or members' voting rights;
- b. having the ability to influence the appointment or removal of a majority of the members charged with the governance of an entity (e.g. any administrative, management or supervisory bodies of an entity);
- c. being a minority shareholder or a member of the entity and alone, pursuant to an agreement entered into with other shareholders or members of the entity or by any other means, being able to exercise any significant influence (including as defined under a) and b);
- d. providing in one reporting period either alone or in aggregate with parties under the same ultimate controlling party or government (excluding UEFA, a UEFA member association and an affiliated league) an amount equivalent to at least 30% of the entity's total revenue for the same period.

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

Supplementary information - Financial information to be submitted to the licensor in addition to the financial statements if the minimum requirements for disclosure and accounting are not met. Supplementary information must be prepared on a basis of accounting, and accounting policies, consistent with the financial statements. Financial information must be extracted from sources consistent with those used for the preparation of the annual financial statements. Where appropriate, disclosures in the supplementary information must agree with, or be reconciled to, the relevant disclosures in the financial statements.

Tangible assets - Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes on a continuing basis in the entity's activities.

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

UEFA Club Licensing Quality Standard - Document that defines the minimum requirements with which licensors must comply to operate the club licensing system.

Ultimate controlling party- A natural or legal person who/which has, directly or indirectly, ultimate control of an entity.

Article 6

In these Regulations, the use of the masculine form refers equally to the feminine.

II. UEFA CLUB LICENSING

1. LICENSOR

1.1. Responsibilities of the Licensor

Article 7

FFM as the licensor, governs its club licensing system for participation in the UEFA club competitions.

Article 8

In particular the Licensor:

- a) has established an appropriate Licensing Department as defined in Article 9;
- b) has established at least 2(two) Club Licensing Organs (decision-making bodies) as defined in Articles 10, 11 and 12;
- c) has set up a catalogue of sanctions as defined in Article 13;
- d) defines the core process as defined in Article 14;
- e) assesses the documentation submitted by the Licence applicant, considers whether this is appropriate and determines whether each criterion has been met and what further information, if any, is needed in accordance with Article 15;
- f) Ensures equal treatment of all Licence applicants applying for the UEFA Licence and guarantees the clubs full confidentiality with regard to all information provided during the licensing process as defined in Article 16;
- g) Determines to its comfortable satisfaction whether each criteria have been met and whether any additional information is required so that the UEFA Licence can be granted.
- h) Must be certified against the UEFA club licensing quality standard on an annual basis by an independent body appointed by UEFA.

1.2. Licensing Department

Article 9

The Licensing Department is led by the Licensing manager who runs and organizes all the duties of the department and the licensing administration.

The FFM provide the Licensing Department with the necessary technical equipment.

Members of the licensing administration are well educated and competent persons to determine if a specific criterion is fulfilled.

At least one staff member or an external financial adviser must have a financial background and a diploma in accountancy / auditing recognised by the Ministry of Finance of the Republic of Macedonia or chartered accountant certificate from the Institute of Chartered Accountants of the Republic of Macedonia or must have 5(five) years' experience in the above mentioned matters ("recognition of competence").

The tasks of the Licensing Department include:

- a) preparing, implementing and further developing the FFM club licensing system for participation in the UEFA club competitions;
- b) providing administrative support to the Club Licensing Organs (decision-making bodies);
- c) assisting, advising and monitoring the licensees during the season;
- d) informing UEFA of any event occurring after the licensing decision that constitutes a significant change to the information previously submitted to the licensor; including change of the legal form, legal group structure (including change of ownership) or identity of the licensee;
- e) serving as the contact point for and sharing expertise with the licensing departments of other UEFA member associations and with UEFA itself.

1.3.. The Club Licensing Organs (decision-making bodies)

Article 10

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

The FFM Executive committee appoints the members of the Club Licensing Organs (decision-making bodies) for a period of four (4) years with a right for reappointment.

In the Club Licensing Organs (decision making bodies), there has to be at least one qualified legal expert , with law degree and one qualified financial expert , with auditing license recognised by the Institute of Certified Auditors of the Republic of Macedonia .

The members of the Club Licensing Organs (decision making bodies), during their term of office, cannot be:

- licensing manager or member of licensing administration;
- member of a judicial statutory body of the licensor;
- member of the executive body of FFM;
- personnel of an affiliated club.

Members of the Club Licensing Organs (decision-making bodies) must act according to the principles of independence and impartiality:

- a) act impartially in the discharge of their duties;
- b) abstain if there is any doubt as to their independence from the Licence applicant or if there is a conflict of interest .In this connection, the independence of a member is impaired if he or any member of his/hers family (spouse, child, parent or sibling) is a member, shareholder, business partner, sponsor or consultant of the Licence applicant.

The decision-making bodies must operate according to the procedural rules in terms of:

- a) Deadlines (e.g. submission deadline, etc.);
- b) Safeguards of the principal of equal treatment;
- c) Representation (e.g. legal representation, etc.);
- d) The right to be heard (e.g. convocation, hearing);
- e) Time limit for requests (e.g. calculations, compliance, interruption, extension);
- f) Time limit for appeal;
- g) Effects of appeal (e.g. no delaying effect);
- h) Type of evidence requested;
- i) Burden of proof (e.g. Licence applicant has burden a proof);
- j) Decision (e.g.in writing with reasoning, etc.);
- k) Grounds for complaints;
- l) Content and form of pleading;
- m) Deliberation / hearings;
- n) Cost of procedure / administrative fee/ deposits.

1.3.1.. Club Licensing Committee

Article 11

The Club Licensing Committee decides on whether the UEFA Licence should be granted to an applicant on the basis of the documents provided by the submission deadlines set by the licensor and on whether the UEFA Licence should be withdrawn.

The Club Licensing Committee is composed by a chairman, deputy-chairman and three other members. Its working quorum must be of 3 (three) members.

The Club Licensing Committee makes its decisions on the basis of majority of votes.

In case of equal votes “for” and “against” awarding the UEFA Licence, the Chair has the casting vote.

1.3.2. Club Licensing Appeals Committee

Article 12

The Club Licensing Appeals Commission decides on appeals submitted in writing and makes a final and binding decision regarding the appeal - whether to grant a license, or to withdraw a given license.

Appeals may only be lodged by:

- a) a Licence applicant who received the refusal from the Club Licensing Committee;
- b) a Licensee whose UEFA Licence has been withdrawn by the Club Licensing Committee; or
- c) the Licensing Manager on behalf of the Licensor.

The Club Licensing Appeals Committee, when making a decision, takes into account: the first instance decision, all evidence provided by the license applicant or FFM submitted in addition to the appeal. The appeal is submitted no later than 3 (three) days after receiving the decision of the Club Licensing Commission. Proof of payment of the appeal fee, in amount, must be attached to the appeal determined by the Management Board of FFM.

In the event that the appeal is not submitted within the period established in this Regulations, the Appeals Commission for licensing will reject it as untimely.

The Appeals Commission may accept the appeal and grant the appellant a license.

If the Appeals Commission considers that the reasons and circumstances stated in the appeal are not founded, it will reject it as unfounded and confirm the decision of the Licensing Commission.

The decision of the Club Licensing Appeals Committee is final and binding and it must be delivered in writing to the appellant within 2 (two) days from the day it has been issued.

The Club Licensing Appeals Committee is composed is composed of 5 (five) members namely: Chairman, deputy-Chairman and three other members. Its working quorum must be of 3 (three) members. Club Licensing Appeals Committee makes its decisions on the basis of majority of votes.

In case of equal votes “for” and “against” awarding the UEFA Licence, the Chairman has the casting vote.

The decision of the Appeals Committee is final.

1.4. Catalogue of sanctions

Article 13

For the non-fulfilment of the club licensing criteria referred to in Article 21 paragraph 2m the Club Licensing Committee applies a sanction as defined in the Catalogue of sanctions (Annex VIII);

For all violations of these Regulations other than those specified in the paragraph above, the FFM applies a sanction as defined in its Disciplinary Regulations.

On report of the Club Licensing Committee, the FFM Disciplinary Body starts a procedure and issue sanctions, in accordance with the Disciplinary Rules of the FFM and Annex VIII hereof Regulations.

1.5. The core processes

Article 14

The licensor defines the core process for the verification of the club licensing criteria and thus manage the issuing of licences.

The main process starts on December 20th, in the year preceding UEFA the competition season for which the applicant for the license is applying, and ends on the 31st of May, the following year, i.e, with the act of submitting a list of licensing decisions to the UEFA administration within a period determined by UEFA.

The core process consists of the following key steps:

- a) The Licence applicants submit their application for the UEFA Licence to the Licensing Department no later than 20 December which precedes the UEFA competition season for which the license applicant applies. By submitting the license application, the applicant should submit proof of payment of an administrative fee in the amount determined by FFM Board of Directors.
- b) Submission of the licensing documentation to the Licence applicants is no later than 15 January in the current year.
- c) The Licence applicants after gathering and completing all prescribed documents (except those related to the financial criteria) must submit them to the Licensing Department no later than 01 March in the current year. The documents related to the financial criteria must be submitted no later than 01 April preceding the Licence season.
- d) The written representation letter Article 50b must be submitted by the management of the Licence applicant at the earliest by 7 (seven) days before the decision of the Club Licensing Committee.
- e) After the experts' review of all aspects of the Licence application, the Licensing Manager prepares a report for the Club Licensing Committee, which must be submitted to the members of the Club Licensing Committee at least 3 days prior to their meeting on which will be decided upon the Licence applications. All Club Licensing Committee decisions must be issued no later than 05 May preceding the current year.
- f) The Licence applicant/licensing manager on behalf of the licensor, has the right to appeal the decision of the Club Licensing Committee before the Club Licensing Appeals Committee. The appeal must be submitted no later than 3 (three) days after the receipt of the Club Licensing Committee's decision. Upon submission of the appeal the appellant should pay FFM a fee as stated in the decision of the Executive Committee of the FFM.
- g) All decisions of the Club Licensing Appeals Committee must be issued in writing no later than 25 May preceding the Licence season.
- h) Submission of the list of licensing decisions to UEFA administration on 31 May preceding the Licence season.

This core process is described in Annex I (Club licensing core process) of these Regulations.

The deadlines defined for the above key process steps are delivered to the clubs in a given time table prepared by FFM.

1.6. Assessment procedures

Article 15

The licensor defines the assessment procedures, except those used to verify compliance with the defined criteria for which specific assessment processes must be followed as set out in Annex VII (Licensor's assessment procedures for the financial criteria and requirements).

1.7. Equal treatment and confidentiality

Article 16

The licensor ensures equal treatment of all Licence applicants during the core process.

The licensor guarantees the Licence applicants full confidentiality with regard to all information submitted during the licensing process.

Anyone involved in the licensing process or appointed by the licensor must sign a confidentiality statement before assuming his tasks.

1.8. Exceptions policy

Article 16a

UEFA may grant an exception to the provisions set out in Part II within the limits set out in Annex A in the UEFA Club Licensing and Financial Sustainability Regulations (edition 2022).

2. Licence Applicant and UEFA Licence

2.1. Definition of the Licence applicant and three-year rule

Article 17

A Licence applicant may only be a football club, i.e. a legal entity fully and solely responsible for a football team participating in national and international club competitions which either is a registered member of a MFU (hereinafter: registered member), or has a contractual relationship with a registered member of a MFU. (Hereinafter: football company).

By the start of the license season, the membership and/or the contractual relationship (if any) must have lasted for at least three consecutive seasons. Furthermore, the license applicant must have participated in the official competitions for at least three consecutive seasons (hereafter: three year rule)..

Any change to the legal form, the legal group structure of the Licence applicant (including merger with another entity or transfer of football activities to another entity) or identity (including, headquarters, name or club colours) of the Licence applicant must be notified to FFM and UEFA before the start of the licensing process.

Any change to the legal form, the legal group structure of the Licence applicant (including merger with another entity or transfer of football activities to another entity) or identity (including, headquarters, name or club colours) of the Licence applicant that took place within the three seasons preceding the start of the licence season to the detriment of the integrity of a competition: or to facilitate the licence applicant's qualification for a competition on sporting merit: or to facilitate the licence applicant receipt of a licence is deemed as an interruption of membership or contractual relationship (if any), within the meaning of this provision.

Exception to this three-year rule can be granted only by CFCB in accordance with Annex A set in the UEFA Club Licensing and Financial Sustainability Regulations (edition 2022).

2.2. General responsibilities of the Licence applicant

Article 18

The Licence applicant must provide the licensor with all necessary information and relevant documents to fully demonstrate that the licensing obligations are fulfilled, as well as any other document relevant for decision-making by the Licensor.

This includes information by the Licensee about sporting, football social responsibility, infrastructure, personnel, and administrative, legal and financial information is required to be provided.

Any event that occurs after the submission of the licensing documentation to the licensor, and represents a significant change to the information previously submitted must be promptly notified to the licensor, in writing including any change of the legal form of the applicant, legal Group structure including ownership or identity.

2.3. UEFA Licence

Article 19

Clubs which qualify for the UEFA club competitions on sporting merit must obtain the UEFA Licence issued by FFM according to these Regulations, except where Article 20 of these Regulations applies.

The UEFA Licence expires without prior notice at the end of the season for which it was issued.

The UEFA Licence cannot be transferred.

The UEFA Licence cannot grant access to FFM competitions.

The UEFA Licence may be withdrawn by the Club Licensing Organs (decision-making bodies) if:

- a) For some reasons the licensee has become insolvent and went in to liquidation process in accordance with legislation of the Republic of Macedonia;
- b) Any of the conditions for the issuing of the UEFA Licence are no longer satisfied; or
- c) The licensee violates any of its obligations under these Regulations.

As soon as a UEFA Licence withdrawal is envisaged, FFM must inform the UEFA accordingly.

2.4.. Special permission to enter the UEFA club competitions

Article 20

If a club qualifies for a UEFA club competition on a sporting merit but has not undergone any licensing process at all or has undergone a licensing process which is lesser /not equivalent to the one applicable to the UEFA Licence under these Regulations, because it belongs to a league other than the FFM First League, FFM may, on behalf of such a club, request an extraordinary application of the club licensing system in accordance with Annex II.

Based on such an extraordinary application, UEFA may grant special permission to the club to enter the corresponding UEFA club competition. Such an extraordinary application applies only to the specific club and for the season in question.

3. Club Licensing Criteria

3.1. General

Article 21

With the exception of those in paragraph 2 below, the criteria defined in this chapter must be fulfilled by clubs in order for them to be granted the Licence necessary to enter the UEFA Champions league, UEFA Europa League or UEFA Conference League (the relevant competitions)..

Failure to fulfil the criteria defined in Articles 23a, 24 par.2, 26 par.2 26a,27,27a,27b,28,28a,28b,28c,31,37a,38a,40,40a,44a,46,46a, 46b,46c,46d, does not lead to the refusal of the Licence but lead to a sanction defined by FFM according to its catalogue of sanctions (Article 13 and Annex VIII).

3.2. Sporting Criteria

3.2.1. Youth development programme

Article 22

The Licence applicant must have a written youth development programme approved by the licensors Coaching committee.

The Licensor must regularly verify the implementation of the approved youth development programme and evaluate its quality.

The programme must cover at least the following areas:

- a) Youth development objectives and philosophy;
- b) Youth sector organization (organisational chart, bodies involved, relation to the Licence applicant, youth teams, etc.);
- c) Personnel (technical, medical, administrative, etc.) and minimum qualifications required for these areas;
- d) Infrastructure (training and match facilities, availability etc.);
- e) Financial resources (budget, contribution from Licence applicant, players or local community, etc.);
- f) Football education programme for various age groups (playing skills, technical, tactical and physical);
- g) Educational initiatives on the *Laws of the Game*, *antidoping*, *integrity*, *anti racism*);
- j) Medical support including determined periodical medical checks for youth categories (including storing medical reports and keeping medical checks);
- k) Review and feedback process to evaluate the results and achievements against objectives;
- l) Duration of the programme (at least three years but maximum seven years).

The Licence applicant must further ensure that every youth player involved in its youth development programme can follow mandatory school education in accordance with the law applicable in the Republic of Macedonia. In addition, the Licence applicant must ensure that no youth player involved in its youth development programme is prevented from continuing his non-football education (after the mandatory).

3.2.2. Youth teams

Article 23

The Licence applicant must have the following youth teams within its legal entity or affiliated to its legal entity as follows:

- a) At least four youth teams within the age range of 10 to 21yrs;
- b) At least one under 10yrs team or organized football activities for under 10 yrs;

Each youth team, except of the under -10 yrs team, must take part in official competitions or programmes played at national, regional or local level and recognised by FFM.

3.2.3 Woman's football activities

Article 23a¹

The licence applicant must support women's football by implementing measures and activities aimed to further develop, professionalise, and popularise women's football such as:

- a) entering a first and/or youth team in official competitions organized by FFM.
- b) providing support to an affiliated women's football club; or
- c) organising other women's football initiatives as defined by the FFM.

3.2.4. Medical care of players

Article 24

The Licence applicant must establish and apply a policy to ensure that all players eligible to play for its first squad undergo a yearly medical examination in accordance with the relevant provisions of the UEFA Medical Regulations.

The Licence applicant must have a confirmation for executed medical examination of players in all categories of the club.

This medical sports examination must be executed according to the age of players and as stipulated in the Competition regulations of the FFM.

3.2.5. Registration of players

Article 25

All the Licence applicant's players, including the players above the age of 10yrs, must be registered with FFM in accordance with the relevant provisions of the *FIFA Regulations on the Status and Transfer of Players* and FFM Regulations for registration, status and transfer of players.

¹ Enters into force from 1st June 2023

3.2.6. Written contract with professional players

Article 26

In accordance with the relevant provisions of the *FIFA Regulations on the Status and Transfer of Players* and FFM Regulations for registration, status, and transfer of players each of the license applicants' players with professional status must be fully employed by the Licence applicant and must have a written agreement with the Licence applicant.

Their professional status must be defined and confirmed with:

- 1) engagement agreement for employment as a professional player reached in writing between the Licence applicant and the football player, verified and registered by the FFM;
- 2) the full employment status verified by official documents (M1/M2) issued by the Employment Service Agency of the Republic of Macedonia.

3.2.7. Loan of professional players

Article 26a

The licence applicant must respect the provisions of the *FIFA Regulations on the Status and Transfer of Players* and *FFM Regulations for registration, status and transfer of players* with regard to loans of professional players.

3.2.8 Refereeing matters and Laws of the Game

Article 27

The licence applicant must ensure that all members of its first squad (players, coaches and other technical staff) attend a session or an event on refereeing organized by FFM during the 12 months prior to the licence season.

The Licence applicant presents a valid document for attendance of the proposed persons in the seminar.

3.3. Football social responsibility Criteria

3.3.1. Football social responsibility strategy

Article 27a

The licence applicant must establish and implement a football social responsibility strategy in line with the UEFA Football Sustainability strategy 2030 and relevant UEFA guidelines, for at least the areas of equality and inclusion, anti-racism, child and youth protection and welfare, football for all abilities and environmental protection.

3.3.2. Equality and inclusion

Article 27b

The licence applicant must establish and implement a policy to ensure equal rights and opportunities for all people following and contributing to football activities organized by the license applicant.

3.3.3. Anti-racism

Article 28

The Licence applicant must establish and implement a policy to tackle racism and to guarantee that all license applicants' rules, programmes, and practices are exercised without discrimination of any kind.

3.3.4. Child and youth protection welfare

Article 28a

The License applicant must establish and implement a policy to protect, safeguard and ensure the welfare of youth players and ensure they are in a safe environment when participating in activities organized by the license applicant.

3.3.5. Football for all abilities

Article 28b

The license applicant must establish and implement a policy to make following and contributing to football activities organized by the license applicant accessible and enjoyable for everyone, irrespective of disability or disabling factor.

3.3.6. Environmental protection

Article 28c

The license applicant must establish and implement a policy to improve its environmental footprint and sustainability in relation to the organization of events, infrastructure construction and management.

3.4.. Infrastructure Criteria

3.4.1 Stadium for UEFA club competitions

Article 29

The Licence applicant must have a stadium available to play UEFA club competitions which must be within the territory of FFM and approved by FFM in accordance with the UEFA Stadium Infrastructure Regulations.

If the Licence applicant is not the owner of the stadium, it must provide a written contract with the owner(s) of the stadium(s) to use the stadium on the territory of the Republic of Macedonia.

The contract mentioned in paragraph 2 of this article must ensure that the stadium(s) can be used for the Licence applicant's UEFA club competitions home matches during the Licence season.

The stadium(s) must fulfil the minimum requirements defined in the *UEFA Stadium Infrastructure Regulations* and in the *FFM Stadium Infrastructure Regulations*. It must be classified at least as a UEFA category 2 stadium.

Fulfilment of the criteria in par.4 of this article is confirmed by the competent body for infrastructure of FFM.

3.4.2. Training facilities-Availability

Article 30

The Licence applicant must have training facilities available throughout the year.

The Licence applicant that does not own the training facilities must provide a written contract with the owner(s) of the training facilities.

The contract must guarantee that the training facilities will be available to the licence applicant throughout the Licence season and that the training facilities can be used by all license applicant teams during the Licence season, taking into account its youth development programme.

3.4.3 Training facilities – Minimum infrastructure

Article 31

The training facilities owned by the licence applicant or are used under contract with the licence applicant have to include the following infrastructure:

- At least 1 (one) outdoor field of play with the dimensions 100-110m length and 64-75m width.
- At least 1 (one) indoor training facility for winter with the dimensions 20m x 10m with accompanying facilities.
- At least 2 (two) dressing rooms with showers and sanitary facilities.
- At least 1 (one) medical room for medical examination of the members – players of the club equipped with defibrillator and first aid equipment, as a minimum.

3.5. Personnel and Administrative Criteria

Article 32 – deleted

3.5.1 Executive director/General Manager

Article 33

The licence applicant must have appointed an Executive Director/ General Manager depending on the club structure, who will, according to the clubs' regulations, be responsible for carrying out the everyday activities of the club, operation activities as well as for the implementation of the club's policy in accordance with the decisions of the Management Board.

The Executive Director/ General Manager shall have been appointed by the Management Board according to the Statutes of the Licence applicant.

The Executive Director / General Manager is a professional, i.e. has a full-time employment contract with the Licence applicant. The professional relation between the Executive director /General Manager and the Licence applicant must be regulated with a written contract. In addition, the professional status of the Executive director must be further defined and confirmed with the full employment status verified by official documents (M1/M2) issued by the Employment Service Agency of the Republic of Macedonia.

The Executive Director/ General Manager must himself sign the documents for Licence applications and all other documents that derive from day-to-day operations of the Licence applicant.

3.5.2. Finance officer/director

Article 34

The licence applicant must appoint a qualified Finance officer/director who is responsible for its financial matters.

The Finance officer/director must be appointed by the Management Board according to the Statutes of the Licence applicant.

In case the licence applicant does not have permanent employment of a person as a finance officer/director in the club administration, for the financial operations the Licence applicant and the person engaged as a financial officer/director, must conclude a written contract. This contract does not derive employment of this person.

The Finance officer/director must hold as a minimum one of the following qualifications:

- a) Diploma of certified public accountant issued by relevant local or international authorities.
- b) Diploma of certified auditor;

The Finance officer/director is responsible for accounting, preparation of financial documents for purposes of club licensing, budgeting, regular financial reports for the Management Board.

3.5.3. Media officer

Article 35

The Licence applicant must appoint a Media officer responsible for media matters. The Media officer must be appointed by the Management Board according to the Statutes of the Licence applicant.

The Media officer must be available to the media for all home matches of the Licence applicant.

The Media officer and the licence applicant must conclude a signed written contract, with his duties and responsibilities. This contract does not derive employment obligations.

The Media officer must hold as a minimum one of the following qualifications:

- Diploma in journalism.
- Media officer diploma provided by FFM or an organization recognized by FFM;
- “Recognition of competence” issued by FFM based on at least three years practical experience in such matters.

3.5.4. Medical doctor and doctor for youth categories

Article 36

The Licence applicant must hire at least one doctor being responsible for the medical support and advice during matches and trainings, as well as for doping prevention policy. The Medical doctor is appointed by the Management Board according to the Statutes of the Licence applicant.

The Medical doctor must ensure medical support during matches and training.

The Medical doctor and the licence applicant must conclude a written contract with his duties and responsibilities. This contract does not derive employment obligations.

The Medical doctor must hold a diploma in medical education and working Licence issued by the Macedonian Chamber of Medicine.

The Medical doctor must be duly registered with FFM.

Article 36a

The License applicant must hire at least one medical doctor responsible for medical care for the teams competing in young categories, and the same must possess an appropriate diploma for a completed medical faculty and a license for work issued by the Doctors Chamber of Macedonia.

3.5.5. Physiotherapist

Article 37

The Licence applicant must appoint at least one physiotherapist being responsible for the medical treatment and massages for the first squad during matches and training. The physiotherapist is appointed by the Management Board according to the Statutes of the Licence applicant.

The physiotherapist and the licence applicant must conclude a written contract with his duties and responsibilities. This contract does not derive employment obligations.

The physiotherapist must possess a diploma-certificate in medical education issued by the educational institution (First & Second level) from the Republic of Macedonia or another country recognized by the Macedonian Ministry of Health.

The Physiotherapist must be fully registered with FFM.

3.5.6. Match organization officer

Article 37a

The license applicant must have appointed a match organization officer who is responsible for the overall organization of the first squad home matches.

The Match organization officer and the licence applicant must conclude a written contract with his duties and responsibilities. This contract does not derive employment obligations.

3.5.7. Security officer

Article 38

The Licence applicant must appoint a qualified Security officer responsible for safety and security matters. The Security officer is appointed by the Management Board according to the Statutes of the Licence applicant.

The Security officer and the licence applicant must conclude a written contract with his duties and responsibilities. This contract does not derive employment obligations. The following responsibilities apply:

- a) Developing, implementing and reviewing safety and security policy and procedures, including risk management and planning.
- b) Being the main point of contact between the public authorities and the license applicant on all safety and security matters;
- c) Managing match related safety and security operations.

The Security officer must hold as a minimum one of the following qualifications:

- a) to have worked as a police officer in a suitable position;
- b) Safety and Security diploma in accordance with the Laws of the Republic of Macedonia;
- c) to have attended a security seminar organized by UEFA, FFM or a recognized organisation from the state;

The security officer must hold a valid Licence issued by FFM.

3.5.8. Football social responsibility officer

Article 38a

The license applicant must have appointed a football social responsibility officer who is responsible for the implementation of football social responsibility policies and measures in accordance with the UEFA Football Sustainability strategy 2030 and relevant UEFA guidelines.

The football social responsibility officer and the licence applicant must conclude a written contract with his duties and responsibilities. This contract does not derive employment obligations.

Article 39- deleted

3.5.9. Supporters liaison officer

Article 40

The Licence applicant must appoint a liaison officer to act as the key contact point for supporters.

The supporter liaison officer must regularly attend meetings with the club's management and must collaborate with the Security officer on safety and security-related matters.

The supporter's liaison officer and the licence applicant must conclude a written contract with his duties and responsibilities. This contract does not derive employment obligations.

3.5.10. Disability access officer

Article 40a

The Licence applicant must have appointed a disability access officer to support the provision of inclusive, accessible facilities and services.

The disability access officer will regularly meet and collaborate with the relevant club personnel on all related matters.

The disability access officer and the licence applicant must conclude a written contract with his duties and responsibilities. This contract does not derive employment obligations.

3.5.11. Head coach of first squad

Article 41

The Licence applicant must appoint a qualified Head Coach who is confirmed as the head coach by FFM and who is responsible for the following matters of the First squad (senior team):

- a) Players selection;
- b) Tactics and training;
- c) Management of players and technical staff in the dressing room and the technical area before, during and after matches; and
- d) Duties regarding the media matters (press conferences, interviews, etc.)

The Head coach is appointed by the Management Board according to the Statutes of the Licence applicant.

The Head coach must have a professional status in the club. The professional relation between the Head coach and the Licence applicant must be regulated with a contract according to the FFM regulations from which employment obligations are deriving. In addition, the professional status of the head coach must be further defined and confirmed with the full employment status verified by official documents (M1/M2) issued by the Employment Service Agency of the Republic of Macedonia.

The Head coach must hold one of the following minimum coaching qualifications issued by a UEFA member association in accordance with the UEFA Coaching Convention:

- a) Valid UEFA Pro coaching license;
- b) Valid non-UEFA coaching diploma which is equivalent to the one required under a) above and recognised by UEFA

as such.

3.5.12. Assistant coach of first squad

Article 42

The Licence applicant must have appointed a qualified coach who assists the head coach in all football matters of the first squad. The Assistant coach is appointed by the Management Board according to the Statutes of the Licence applicant.

The Assistant coach and the licence applicant must conclude a written contract with his duties and responsibilities. This contract does not derive employment obligations.

The Assistant coach of the First Squad must hold one of the following minimum coaching qualifications issued by a UEFA member association in accordance with the UEFA Coaching Convention:

- a) Valid UEFA A coaching licence;
- b) Valid non-UEFA coaching diploma which is equivalent to the one required under a) above and recognised by UEFA as such.

3.5.13 Goalkeeper coach of the first squad ²

Article 42a

The license applicant must have appointed a qualified goalkeeper coach who assists the head coach in goalkeeping matters of the first squad.

The Goalkeeper coach and the licence applicant must conclude a written contract with his duties and responsibilities. This contract does not derive employment obligations.

The goalkeeper coach must hold one of the following minimum coaching qualifications issued by a UEFA member association in accordance with the UEFA Coaching Convention:

- a) UEFA A goalkeeper coaching License
- b) Valid non-UEFA coaching diploma which is equivalent to that required under a) above and recognized by UEFA as such.

3.5.14. Head of the youth development program – youth sector coordinator

Article 43

The Licence applicant mandatory appoints a Head of the youth development programme being responsible for running the daily administrative and technical duties related to the activities in youth categories of the club.

The Head of the youth development programme is appointed by the Management Board according to the Statutes of the Licence applicant.

The relation between the Head of the youth development programme and the Licence applicant must be regulated with a written contract; this contract does not derive employment obligations.

The Head of the youth development programme must hold one of the following minimum coaching qualifications issued by a UEFA member association in accordance with the UEFA Coaching Convention:

- a) Valid UEFA A coaching Licence;
- b) Valid UEFA Elite youth A coaching license
- c) Valid non-UEFA coaching diploma which is equivalent to the one required under a) above and recognised by UEFA as such.

The Head of the youth development programme may at the same time perform the function of a coach in one of the

² Enter into force from 1st June 2023

youth teams.

3.5.15. Youth category coaches

Article 44³

The Licence applicant must appoint for each mandatory youth category team at least one qualified coach who is responsible for all football matters related to that team.

The Youth coaches must be appointed by the Management Board according to the Statutes of the Licence applicant.

The relation between the Youth coaches and the licence applicant must be regulated with a written contract; this contract does not derive employment obligations.

At least three youth category coaches must hold one of the following minimum coaching qualifications issued by a UEFA member association in accordance with the UEFA Coaching Convention:

- a) UEFA A coaching Licence;
- b) UEFA Elite youth A coaching license
- c) Valid non-UEFA coaching diploma which is equivalent to the one required under a), b) above and recognized by UEFA as such.

The other youth coaches must hold, at least the UEFA B coaching licence

3.5.16 Goalkeeper coach of youth teams

Article 44a⁴

The license applicant must have appointed at least one qualified goalkeeper coach who assists the youth coaches in goalkeeping matters of the youth sector.

The relation between the Goalkeeper coach of youth teams and the licence applicant must be regulated with a written contract; this contract does not derive employment obligations.

The goalkeeper coach must hold on of the following minimum coaching qualifications, issued by a UEFA member association in accordance with the UEFA Coaching Convention:

- a) UEFA A goalkeeper coaching license
 - b) UEFA B goalkeeper coaching license
 - c) Valid non-UEFA coaching diploma which is equivalent to the one required under a) and b) above and recognized by UEFA as such.
-

3 With the exception of Article 44 paragraph 4 (Youth coaches), for the license season 2023/24, at least two of the coaches of the License applicant's youth team must possess one of the defined minimum coaching qualifications.

4 Enters into force on 1 June 2023

3.5.17. Common provisions applicable to UEFA coaching qualifications

Article 45

A Coach holder of the required UEFA coaching Licence within the meaning of Articles 41, 42, 42a, 43, 44 and 44a is considered a coach who, in accordance with the UEFA implementation provisions of the UEFA Coaching Convention, has:

- a) Been issued a UEFA coaching licence by a UEFA member association.
- b) At least started the required UEFA coaching diploma course. Registration for the required diploma course is not sufficient to meet this criterion

All qualified coaches defined in Articles 41, 42, 42a, 43, 44 and 44a must be duly registered with FFM.

UEFA reserves the right to consider the consequences of any reduction in the status of FFM regarding membership of the UEFA Coaching Convention, and to make decisions on a case-by-case basis regarding this matter.

3.5.18. Written contracts

Article 46

All administrative, technical, medical and security staff or service providers performing any of the functions referred to in Articles 33, 34, 35, 36, 36a, 37, 37a, 38, 38a, 40, 40a, 41, 42, 42a, 43, 44 and 44a must have written contracts with the license applicants (or another entity within the legal group structure of the license applicant) in accordance with the national legal framework of Republic of Macedonia.

The license applicant must ensure that each coach's contract is in line with the relevant provisions of the FIFA Regulations on the Status and Transfer of Players.

3.5.19. Duty of replacement during the Licence season

Article 46a

If a function defined in Articles 33, 34, 35, 36, 36a, 37, 37a, 38, 38a, 40, 40a, 41, 42, 42a, 43, 44 and 44a becomes vacant during the Licence season, the licensee must ensure that, within a period of maximum 30 days, defined by the competent body of FFM, the function is taken over by someone who holds the required qualifications.

In the event that a function becomes vacant due to illness or accident, the licensor may grant an extension to the 30-day period only if reasonably satisfied that the person concerned is still medically unfit to resume their duties.

The licensee must promptly notify FFM of any such replacement.

3.5.20. Service provides

Article 46b

If a given function is entrusted to a service provider in accordance with the national legal framework, the license applicant must sign a written contract with the service provider. It must contain the following information as a minimum:

- a) Defined tasks and responsibilities,

- b) Information on the persons responsible for the function, including their relevant qualifications.

3.5.21. Occupation of functions

Article 46c

The mandatory functions defined in articles 33, 34, 35, 36, 36a, 37, 37a, 38, 38a, 40, 40a, 41, 42, 42a, 43, 44 and 44a represent the minimum organizational structure required of the license applicant.

One person could occupy more than one function, provided the person sufficient time, adequate competences and the necessary qualifications for each function and no conflict of interest.

3.5.22. Organizational structure

Article 46d

The license applicant must provide the licensor with an organizational chart clearly identifying the relevant personnel and their hierarchical and functional responsibilities in its organizational chart.

As a minimum, the organizational chart should provide information on the key personnel defined in article to articles 33, 34, 35, 36, 36a, 37, 37a, 38, 38a, 40, 40a and 43.

3.6 LEGAL CRITERIA

3.6.1. Declaration in respect of participation in UEFA club competitions

Article 47

The Licence applicant must submit a declaration certified by a Notary Public to confirm that under full moral and material responsibility:

- a) It recognises as legally binding the statute, regulations, directives and decisions of FIFA, UEFA, and FFM as well as the jurisdiction of the Court of Arbitration for Sport (CAS) in Lausanne as provided in the relevant articles of the *UEFA Statutes*.
- b) At national level it will play in competitions organised or endorsed by FFM;
- c) At international level it will participate in competitions recognised by UEFA. (This provision does not relate to friendly matches);
- d) It will promptly inform FFM about any significant change, event or condition of major economic importance.
- e) It will abide by and follow the rules stipulated in the FFM club licensing and financial sustainability regulations for participation in the UEFA club competitions;
- f) It will abide by and follow the regulations stipulated in the *UEFA Club Licensing and Financial Sustainability Regulations*;
- g) Its reporting perimeter is defined in accordance with Article 51 of these Regulations;
- h) All revenues and costs related to each football activities listed in Article 51 par. 3 have been included in the reporting perimeter.
- i) It will be accountable for any consequences of an entity included in the reporting perimeter not abiding by and observing items e) and f) above;
- j) All relevant information related to any change of is legal form, legal group structure (including ownership) or identity from the three seasons preceding the start of the license season have been reported to FFM and UEFA.
- k) All submitted documents are complete and correct;
- l) it authorises the FFM Licensing Administration and Club Licensing Organs, the UEFA administration, and the UEFA Organs for the Administration of Justice to examine any relevant document and seek information from any relevant public authority or private body in accordance with national law;

- m) it acknowledges that UEFA reserves the right to execute compliance audits at national level in accordance with Article 59 of these Regulations.

The declaration must be executed by an authorised signatory of the Licence applicant no more than three months prior to the deadline for its submission to the Licensor.

3.6.2. Minimum legal information

Article 48

The Licence applicant must submit at least the following minimum legal information about the license applicant and if different, the registered member:

- a) copy of the current, legally valid Statutes, i.e. act of incorporation;
- b) Decision for entry and/or changes from the Central Register of Macedonia.
- c) copy of the extract from the Central Register of Republic of Macedonia and other relevant documentations which are containing the following minimum information:
 1. Full name
 2. Address of headquarters.
 3. Unique number of the subject and Tax number.
 4. Legal form of the entity.
 5. Authorised person
 6. List of authorised signatures.
 7. Type of required signature (individual/collective).

The license applicant must also provide the following contact information:

- a) Address of its official headquarters.
- b) Official contact details (such as phone/fax number and email address)
- c) Address of its official public website.
- d) Name and direct contact details of its main official contact person for club licensing matters.

The information from the extract of the Central register of Republic of North Macedonia, which are concerning the name, address, unique number of the subject, have to be aligned with IT database COMET of FFM.

3.6.3. Written contract with a football company

Article 49

If the Licence applicant is a football company as defined in Article 17, it must provide a written contract of assignment between the football company and the football club which is a registered member of a MFU/FFM.

The contract from par. 1 of this article must stipulate the following, as a minimum:

- a) That the football company must comply with the applicable statutes, regulations, directives and decisions of FIFA, UEFA and FFM;
- b) The football company must not further assign its right to participate in a competition at national or international level;
- c) The football company right to participate in such a competition ceases to apply if the assigning club's membership of the MFU ceases.
- d) If the football company is put in bankruptcy or enters liquidation, this is deemed to be an interruption of membership or contractual relationship with the meaning of Article 17 of these Regulations. For the sake of clarity, a license already granted to the football company cannot be transferred from the football company to the registered member.
- e) FFM must be reserved the right to approve the name under which the football company participates in national

competitions;

- f) The football company must, at the request of the Court of Arbitration for sport (CAS), to provide views, information, and documents on matters regarding the football company's participation in the national or international competitions.

The contract of assignment and any amendment to it must be approved by FFM.

3.6.4. Legal group structure

Article 50

The Licence applicant must provide to the licensor with a document that represents its legal group structure at the annual accounting reference date prior to the deadline (31.12.) for the submission of its license application to the licensor. It must be presented in a chart duly approved by management authority.

Licensor must be informed of any changes that may have occurred in the legal structure of the group in the period from 31.12 until the submission of the license documentation to FFM.

The legal group structure must clearly and unambiguously contain information on:

- a) The licence applicant and, if different the registered member of MFU;
- b) Any subsidiary of the licence applicant and, if different, the registered member of MFU;
- c) Any related entity.
- d) Any associate entity of the Licence applicant and, if different, the registered member of MFU;
- e) Any direct or indirect controlling entity of the Licence applicant.
- f) Any party that has a 10% or greater direct or indirect ownership of or otherwise significant influence over the Licence applicant, or at least 10% of the voting rights.
- g) Any entity who has significant influence on the License applicant.
- h) Any football club which, in respect of which any of the parties identified in a) to g) or any of the key management personnel, have any ownership interest or voting rights or membership or any other involvement or influence whatsoever in its management, administration or sporting performance; and
- i) The key management personnel of the license applicant and, if different, the registered member.
- j) The reporting perimeter as defined in Article 51 of these Regulations.

The reporting perimeter as defined in Article 51 of these Regulations must also be clearly identified in the legal group structure.

If deemed relevant the Licensor may request the Licence applicant to provide other information than those listed above (e.g. information about any subsidiaries of the ultimate controlling entity and/or direct controlling entity).

The following information must be provided in relation to each of the parties included in the legal group structure:

- a) Name and if applicable, legal form;
- b) Priority activity (main activity and activity code)
- c) Percentage of ownership interest (and, if different, percentage of voting power held);

For any related entities/subsidiaries of the licence applicant and, if different, the registered member of MFU, the following information must also be provided:

- d) Share capital.
- e) Total assets.
- f) Total revenues.
- g) Total equity.

The License applicant must confirm that the information about the legal group structure is complete, accurate and in compliance with these regulations. This must be evidenced by way of a brief statement and signature by the executive body/authorised signatories of the License applicant.

3.6.5. Ultimate controlling party, ultimate beneficiary, and party with significant influence

Article 50a

The licence applicant must provide FFM with a document which contains information on:

- a) the ultimate controlling party of the Licence applicant.
- b) the ultimate beneficiary of the Licence applicant, i.e. a natural person on whose behalf an entity or arrangement is owned or controlled or a transaction is conducted; and
- c) any party with significant influence over the Licence applicant.

The following information must be provided in relation to each of the parties identified in paragraph 1 above as at the date of submission of this information to the licensor:

- d) Name and, if applicable, legal form.
- e) Main activity.
- f) Percentage of ownership interest and, if different, percentage of voting rights in respect of the Licence applicant.
- g) If applicable, key management personnel; and
- h) Any other football club in respect of which the party, or any of its key management personnel, has any ownership interest, voting rights or membership or any other involvement or influence whatsoever.

The licence applicant must confirm whether any change has occurred in relation to the information indicated in the paragraphs 1 and 2 above during the period covered by the annual financial statements up to the submission of the information to FFM.

If a change has occurred as indicated in paragraph 3 above, it must be described in detail by the licence applicant in the information to the licensor. As a minimum the following information must be provided:

- i) The date on which the change occurred.
- j) Description of the purpose and reasons for the change.
- k) Implications for the licence applicant's financial, operating and sporting policies; and
- l) Description of any impact on the licence applicant's equity or debt situation.

If deemed relevant the licensor may request the licence applicant to provide additional information other than that listed above.

The licence applicant must confirm that the declaration on the ultimate controlling party, ultimate beneficiary and party with significant influence is complete, accurate and in compliance with these regulations. This must be evidenced by way of a brief statement and signature by the executive body/authorised signatories of both the licence applicant and the licence applicant's ultimate controlling party.

3.6.6. Written representation prior to the licensing decision

Article 50b

The licence applicant must submit written representation to the licensor within the seven days prior to the start of the First Instance Body's decision-making process, as defined by the licensor in accordance with [Article 14](#).

The licence applicant must confirm:

- a) that all documents submitted to the licensor are complete, accurate and in compliance with these Regulations.
- b) whether or not any significant change or similar event has occurred in relation to its licensing application or any of the club licensing criteria.
- c) whether or not any event or condition of major economic importance has occurred that may have an adverse impact on the licence applicant's financial position since the balance sheet date of the preceding audited annual financial statements and reviewed interim financial statements (if so, the management representations letter must include a description of the nature of the event or condition and an estimate of its financial effect, or a statement that such an estimate cannot be made);
- d) whether or not the licence applicant and, if different, the registered member or any parent company of the licence applicant included in the reporting perimeter is seeking or has received protection from its creditors pursuant to laws or regulations within the 12 months preceding the licence season.

Approval by the licence applicant's management must be evidenced by way of a signature on behalf of the executive body of the licence applicant.

3.7 FINANCIAL CRITERIA

3.7.1. Reporting entity and reporting perimeter

Article 51

The Licence applicant determines and provides to FFM the reporting perimeter, i.e. the entity or combination of entities in respect of which financial information (e.g. single entity, consolidated or combined financial statements) has to be provided in accordance with Annex V. B and assessed according to Annex VII

The reporting perimeter must include:

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

Football activities include:

- a) employing/recruiting personnel (as defined in Article 54) including payment of all forms of consideration to employees arising from contractual or legal obligations;
- b) acquiring/selling players' registrations (including loans);
- c) ticketing;
- d) sponsorship and advertising;
- e) broadcasting;
- f) merchandising and hospitality;
- g) club operations (administration, match-day activities, travel, scouting, etc.);
- h) use and management of stadium and training facilities;
- i) women's football;
- j) youth development; and
- k) financing, including equity that results in obligations on the licence applicant, or debt directly or indirectly secured or pledged against the licence applicant's assets or revenues.

An entity may be excluded from the reporting perimeter only if the football activities it performs are already entirely reflected in the financial statements of one of the entities included in the reporting perimeter; and

- a) its activities are entirely unrelated to the football activities defined in paragraph 3 above or the locations, assets or brand of the football club; or

- b) it is immaterial compared with all the entities that form the reporting perimeter and it does not perform any of the football activities defined in paragraph 3 a) and b) above;

The Licence applicant must submit a declaration by an authorised signatory which confirms:

- a) that all revenues and costs related to each of the football activities indicated in paragraph 3 have been included in the reporting perimeter, providing a detailed explanation if this is not the case; and
- b) whether any entity included in the legal group structure has been excluded from the reporting perimeter, justifying any such exclusion with reference to paragraph 4.

3.7.2. Annual financial statements

Article 52

The licence applicant must prepare and submit, prior to the final deadline established in the main process in Article 14 Paragraph 3 Item (c), annual financial statements for the reporting period (up to 31.12) ending in the year preceding the deadline for submission of the application to the licensor and preceding the deadline for submission of the list of licensing decisions to UEFA.

Annual financial statements, including comparative amounts for the prior period, must be prepared in accordance with national accounting standards and must include:

- a. a balance sheet as at the end of the reporting period;
- b. a profit and loss account/income statement for the reporting period;
- c. a cash flow statement for the reporting period;
- d. a statement of changes in equity over the reporting period;
- e. notes, comprising a summary of significant accounting policies and other explanatory notes; and
- f. a financial review by management.

Annual financial statements must be audited by an independent auditor as defined in Annex III .

The annual financial statements must meet the minimum disclosure requirements as set out in Annex IV and the accounting requirements as set out in Annex V).

If the annual financial statements do not meet the minimum disclosure requirements set out in Annex IV, then the licence applicant must also submit to the Licensor:

- a. supplementary information to meet the minimum disclosure requirements set out in Annex IV; and
- b. an assessment report provided by the same auditor that signs the annual financial statements by way of agreed-upon procedures prescribed by the licensor to confirm the completeness and accuracy of the supplementary information.

If the annual financial statements do not comply with the accounting requirements set out in Annex V, then the licence applicant must also submit to the licensor:

- a. restated financial statements that meet the accounting requirements set out in Annex V, covering the same reporting period and including comparative amounts for the previous comparative reporting period;
- b. a declaration by the licence applicant's management that the restated financial statements are complete, accurate, and in compliance with the regulations; and
- c. an assessment report provided by the same auditor that signs the annual financial statements by way of agreed-upon procedures prescribed by the licensor in respect of the completeness and accuracy of the restated financial statements.

Article 52a

The License applicant on its website must announce:

- a) The latest audited annual financial information assessed by the Licensor; and
- b) The total paid amount to agents/intermediaries in the last reporting period.

The announcement referred to in Paragraph 1 of this Article must be made by 31 May of the current year at the latest in a prescribed form from the Licensor.

3.7.3. No overdue payables towards football clubs

Article 53

The Licence applicant must prove that as at 31 March preceding the Licence season it has no overdue payables (as defined in Annex VI towards other football clubs as a result of obligations arising from transfers due to be paid by the 28 February preceding the licence season.

Payables are those amounts due to football clubs as a result of:

- a. transfers of professional players (as defined in the *FIFA Regulations on the Status and Transfer of Players*), including any amount payable upon fulfilment of certain conditions.
- b. players registered for the first time as professionals, including any amount payable upon fulfilment of certain conditions.
- c. training compensation and solidarity contributions as defined in the *FIFA Regulations on the Status and Transfer of Players*; and
- d. any joint and several liability decided by a competent authority for the termination of a contract by a player.

The Licence applicant must prepare and submit to FFM a transfer table. It must be prepared even if there have been no transfers/loans during the relevant period.

The Licence applicant must disclose all transfer activities (including loans) undertaken up to 31 December, irrespective of whether there is an amount outstanding to be paid at 31 December.

The Licence applicant must disclose:

- a) all new player registrations (including loans) in the 12-month period up to 28 February, irrespective of whether there is an amount outstanding as at 28 February;
- b) all transfers for which payable is outstanding as at 28 February (whether they relate to the release or registrations of players and irrespective of when the transfers were undertaken); and all transfers subject to any amounts disputed as at 28 February (as defined in Annex VI

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

- a) Player (identification by name, registration number and date of birth);
- b) Date of the transfer/loan agreement.
- c) Name of the football club that formerly held the registration (creditor);
- d) Transfer (or loan) fee paid and/or payable (including training compensation and solidarity contribution) even if payment has not been requested by the creditor;
- e) Other direct costs of acquiring the registration paid and/or payable.
- f) Any other compensation paid or payable in the scope of a transfer agreement.
- g) Amount settled before 28 February and payment date;
- h) Balance of accounts payables as at 28 February in respect of each player transfer including the due date for each unpaid element;
- i) Balance of accounts payable as at 31 March (rolled forward from 28 February) amounts settled between 28 February and 31 March together with the settlement dates as well as any remaining overdue payable together with explanatory comment;
- j) Amounts deferred as at 28 February as defined in Annex VI, including the original and new due date(s) for each deferred element, and the date when a written agreement between the parties was concluded;

- k) Amounts disputed as at 28 February (as defined in Annex VI), including the case references and a brief description of the positions of all involved parties and Conditional amounts (contingent liabilities) not yet recognised in the balance sheet as at 28 February;

The Licence applicant must reconcile its liabilities as per the transfers table to its underlying accounting records.

The transfer payables table must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the Licence applicant.

3.7.4. No overdue payables to Football Federation of Macedonia and UEFA

Article 53a

The License applicant must prove that by March 31, prior to the start of the licensing season, there are no overdue payables to FFM, UEFA and additional entities designated by UEFA as of 28 February, as stipulated in Annex VI.

Payables in respect of UEFA include, but are not limited to, financial contributions imposed by the CFCB.

The licence applicant must prepare and submit a declaration by March 31, prior to the start of the licensing season, confirming total payables to UEFA, additional entities designated by UEFA and the licensor and the absence or existence of overdue payables.

3.7.5. Net equity rule

Article 53b⁵

The licence applicant must report in its annual financial statements a net equity position which:

- a. is positive; or
- b. has improved by 10% or more since the previous 31 December.

Net equity means the residual interest in the assets of the entity after deducting all its liabilities as set out in its annual financial statements. If a licence applicant's assets exceed its liabilities, then the licence applicant has a net asset position, i.e. positive equity. If a licence applicant's liabilities exceed its assets, then the licence applicant has a net liability position, i.e. negative equity.

If a licence applicant does not comply with paragraph 1 above as at 31 December, the licence applicant can submit a new audited balance sheet by 31 March at the latest in order to demonstrate that one of the conditions in paragraph 1 of this Article has since been fulfilled.

The licensor's assessment must be in accordance with Annex VII.

Article 53b (net capital rule) shall enter into force on 1 June 2023.

for the 2024/25 license season, failure to comply with the net capital rule will not lead to the refusal of a license, but to a sanction defined by the Licensee according to his catalogue of sanctions.

3.7.6. No overdue payables in respect of employees

Article 54

The Licence applicant must prove that as at 31 March preceding the Licence season it has no overdue payables (as defined in Annex VI in respect of its employees as a result of contractual and legal obligations towards its employees due to be paid by the 28 February preceding the licence season.

Payables are all forms of consideration due in respect of employees as a result of contractual or legal obligations towards employees, including wages, salaries, image rights payments, service agreements payments, bonuses and other benefits as specified in Annex IX.

Amounts payable to people who, for various reasons, are no longer employed by the applicant fall within the scope of this criterion and must be settled within the period stipulated in the contract and/or defined by law, regardless of how such payables are accounted for in the annual financial statements.

The term "employees" includes the following persons:

- a) All professional players according to the applicable *FIFA Regulations on the Status and Transfer of Players*
- b) All administrative, technical, medical and security staff (full employment status according to local legislation on indefinite/definite period) performing any of the functions referred in 33, 34, 35, 36, 36a, 37, 37a, 38, 38a, 40, 40a, 41, 42, 42a, 43, 44 and 44a of these Regulations; and
- c) The staff specified in Articles 33, 34, 35, 36, 36a, 37, 37a, 38, 38a, 40, 40a, 41, 42, 42a, 43, 44 and 44a of these Regulations (contractual employment status in line with applicable local regulations.)

The Licence applicant must prepare and submit an employees table showing the following total balances in respect of the employees as at the 28 February preceding the licence season:

- a) all employees who were employed at any time during the year up to 28 February; i.e. not just those who remain at 28 February;
- b) all employees in respect of whom there is an amount outstanding to be paid as at 28 February, irrespective of whether they were employed during the year up to 28 February; and
- c) all employees in respect of whom there is a deferral/claim pending before the competent authority under national law or proceedings pending before a national or international football authority or relevant arbitration tribunal.

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

- a) Name of the employee;
- b) Position/function of the employee;
- c) Start date with the licence applicant;
- d) End date (if applicable) with the licence applicant;
- e) The balance payable as at 28 February, including the due date for each unpaid element;
- f) Any payable as at 31 March (rolled forward from 28 February), including the due date for each unpaid element, together with explanatory comment; and
- g) Pending amounts subject to any deferrals/disputes outcome of initiated proceedings as of 31.03 that year.

The licence applicant must reconcile its liabilities as per the employees table to its underlying accounting records.

The licence applicant must confirm that the employees table is complete, accurate and in compliance with these regulations. This must be evidenced by way of a brief statement and signature by the executive body/authorised signatories of the Licence applicant.

3.7.7 No overdue payables towards social/tax authorities

Article 54a

The Licence applicant must prove that as at 31 March preceding the Licence season it has no overdue payables (as defined in Annex VI towards social/tax authorities as a result of contractual or legal obligations in respect of its employees due to be paid by the 28 February preceding the licence season).

Payables are those amounts due to social/tax authorities as a result of contractual or legal obligations in respect of all employed individuals. Payables include, but are not limited to, personal income tax, pension fund payments, social security and similar payments.

The Licence applicant must submit to the auditor and the licensor a social/tax table showing:

- a) the amount payable (if any) to the competent social/tax authorities due to be paid by the 28 February preceding the licence season;
- b) total amount overdue as well as any remaining overdue amount as at 31 March (rolled forward from 28 February);
- c) amounts for which there is a deferral/claim pending before the competent authority under national law or proceedings pending before a national or international football authority or relevant arbitration tribunal.

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

- a) Name of the creditor;
- b) Any payable as at 28 February, including the due date for each unpaid element;
- c) Any payable as at 31 March (rolled forward from 28 February), including the due date for each unpaid element, together with explanatory comment and supporting evidence; and
- d) Pending amounts subject to any claims/disputes outcome of an initiated proceedings as of 31.03 of the current year.

The licence applicant must reconcile its liabilities as per the social/tax table to its underlying accounting records.

The licence applicant must confirm that the social/tax table is complete, accurate and in compliance with these Regulations. This must be evidenced by way of a brief statement and signature by the executive body/authorised signatories of the Licence applicant.

3.7.8. Future Financial Information

Article 55

The license applicant must prepare and submit future financial information to demonstrate to the Licensor its ability to continue operating until the end of the license season, regarding to the auditor's report in relation to the annual financial statements of compliance of the going concern assumption, emphasis of matter, key audit matter or qualified opinion/conclusion.

Future financial information must cover the period beginning immediately after the annual accounting reference date of the annual financial statements or, if any applicable, the balance sheet date of the interim financial statements, and must cover at least the entire license season.

Future financial information consists of:

- a) budgeted balance sheet, with comparative figures for the immediately preceding period reporting and interim period (if applicable);
- b) budgeted statement of comprehensive income (income statement), with comparative figures for immediate the previous financial year and interim period (if applicable);
- c) budgeted cash flow, with comparative figures for the immediately preceding financial year and the interim period (if applicable);
- d) explanatory notes, including a brief description of each of the significant assumptions (with reference to relevant aspects of historical financial and other information) which are used to prepare the budgeted income statement and cash flow statement, as well as of key risks that may affect future financial results.

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

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

Future financial information must meet minimum disclosure requirements as set out in Annex IV and the accounting principles set out in Annex V.

Additional items or notes must be included if they provide clarification or if their omission would make future financial information incomplete and/or inaccurate.

Future financial information with the assumptions on which it is based must be approved by the management of the Licensee. This must be proven through a statement by the management of the Licensee that the future financial information submitted is complete, accurate and in compliance with the regulations.

III. Final provisions

3.7.9. Authoritative text and language of correspondence

Article 56

If there is any discrepancy in the interpretation of the English and Macedonian versions of these Regulations, excluding Article 80 par.3 of these Regulations, the Macedonian version prevails.

All correspondence between UEFA and FFM and/or the licensees must be in English, and UEFA may ask FFM and/or the licensees for a certified translation of documents at their expense.

Annexes

Article 57

All Annexes (from I to VIII) to the present Regulations form an integral part thereof.

3. Compliance audits

Article 58

UEFA and/or its authorised bodies, organs/agencies reserve the right to, at any time, conduct compliance audits of the licensor and, in the presence of the latter, of the licence applicants/licensees.

Compliance audits aim to ensure that the FFM, as well as the licence applicants/licensees, have fulfilled their obligations as defined in UEFA Club Licensing and Financial Sustainability Regulations (Edition 2022) and that the UEFA Licences were correctly awarded at the time of the final decision of FFM.

For the purpose of compliance audits, in the event of any discrepancy in the interpretation of these Regulations between the English and Macedonian versions, the English version is authoritative.

4. Disciplinary procedures

Article 59

Subject to Article 13, any breach of these Regulations may be penalised by FFM in accordance with the FFM Disciplinary Regulations.

5.5. Implementing provisions

Article 60

The Club Licensing Department based on circular letters and notices from UEFA will adopt them all directives from UEFA for detailed application of the provisions of this Regulation.

5. Adoption, abrogation, amendments, and entry into force

Article 61

These Regulations were adopted by the FFM Executive Committee at its meeting held on 23.12.2022

These Regulations replaces the FFM *Regulations for Licensing the Football of the Football Federation of Macedonia for the Club Competitions organized by UEFA* (Edition 2018) and all of its previous versions.

With the entry into force of this Regulations, the Code of Sanctions ceases to apply, and Annex XII applies.

This Regulations enters into force 8 (eight) days from the day of its publication in the official gazette of the FFM "MacFootball", with the exception of the transitional provisions described in Article 62.

These Regulations cannot be amended during the licensing process, unless duly approved by UEFA.

Exceptional and transitional provisions in respect of the club licensing requirements

Article 62

Notwithstanding article 61 par.4 above, Article 23a (Women's football activities), Article 42a (Goalkeeper coach of the first squad) and Article 44a (Goalkeeper coach of youth teams) enter into force on 1 June 2023.

By exception to article 44 par.4 (Youth coaches), for the licence season 2023/24 at least two of the licence applicant's youth team coaches must each hold one of the defined minimum coaching qualifications.

Notwithstanding Article 61 par.3 above, Article 53b (Net equity rule) enters into force on 1 June 2023. By exception to Article 53b, for the licence season 2024/25 failure to fulfil the net equity rule will not lead to refusal of a licence but to a sanction defined by Licensor according to its catalogue of sanctions.

President of the Executive Committee

Sejdini Muamet

ANNEX I : Club Licensing core process

1. The Licensing Manager (LM) produces the documents on club licensing which will include the criteria, the questionnaires and forms and templates for return and a copy of the *FFM Club Licensing Regulations for Participation in the UEFA Club Competitions*.
2. The Licensing Manager distributes the prepared pack of documents (licensing documentation) to the Licence applicants. These documents can be posted or emailed, posted on FFM's website (www.ffmpeg.com.mk). The Licensing Manager may request an acknowledgement of receipt.
3. The Licence applicant completes the documents (questionnaires, templates, etc.) and returns them to the Licensing Manager within the set deadline(s). These documents can be returned in person, by post or mail (scanned). Supporting documents can be enclosed if required.
4. The Licensing Manager checks at the reception that the documents returned by the Licence applicant are complete and that they are returned within the set deadline.
5. Decision.
Two alternatives: step 6 or step (A)
6. If the documents are complete and sent within the set deadline, the Licensing Manager sorts the information received, records it and forwards it to the appointed criteria experts with responsibilities for that particular area for review (e.g. legal documents will be forwarded to the legal expert, financial information to the financial expert, etc.).
7. The nominated experts receive the Licence applicants' documents from the Licensing Manager, review the documents, check the fulfilment of the criteria and then report back to the Licensing Manager within the set deadline and according to prepared forms (checklists, reports etc.). The checks have to be justified by supporting documents (evidence that the criteria have been fulfilled).
8. Decision
Two alternatives: step 9 or step (A)
9. The Licensing Manager verifies that the reports of the experts are complete and returned within the set deadline. The Licensing Manager reviews the reports and the opinion of the experts and identifies areas that require further investigation by the experts. The Licensing Manager assesses the Licence applicants. Based on the findings of experts he can identify the important segments that needs to be further investigated.
10. Decision.
Two alternatives: step 11 or step (B)
11. If the Licensing Manager does not identify any area that requires further review, he prepares the report for consideration of the Club Licensing Committee within the set deadline. This report will contain aspects of the review (analysis of the documents received and, if performed, information on site visits). Depending on the results of the analysis, the report should include recommendations on whether to grant the UEFA Licence or not.
12. LM obtains the management representations letter (Article 55) from the licence applicant. This is included to his report. According to the results of the review the report will include the recommendation to grant or to refuse the UEFA Licence.
13. If the Licence applicant has submitted any document to the Club Licensing Department after the due date, the Licensing Manager has to write it in his report and indicate what exactly is this document and the date of its receipt.
14. The Club Licensing Committee receives the report of the Licensing Manager within the set deadline, reviews it, asks the Licensing Manager for further explanations and documents if necessary and makes the decision whether to grant the UEFA

Licence or not. The Club Licensing Committee has to fulfil the requirements of qualification, independence and confidentiality as defined in the *FFM Club Licensing Regulations for Participation in the UEFA Club Competitions*.

15. If the Licence applicant has submitted to the Club Licensing Department any document after the prescribed deadline(s), the Club Licensing Committee shall sanction the said Licence applicant in accordance with the *FFM Club Licensing Regulations for Participation in the UEFA Club Competitions*.

16. Decision.

Two alternatives: step 17 or step (D).

17. After careful review of the Licence applicant's documents and of the report of the Licensing Manager, the competent Club Licensing Organ issues the UEFA Licence. The issuance of the UEFA Licence is subject to the condition that the Licence applicant fulfils all minimum criteria defined in the *FFM Club Licensing Regulations for Participation in the UEFA Club Competitions*. The issued UEFA Licence may or may not detail areas for future attention of the Licence applicant.

18. The Licensing Manager receives the report of the competent Club Licensing Organ. On the basis of the decision made by the said Club Licensing Organ, he prepares the list of licensing decisions. The list of licensing decisions is sent to UEFA within the deadline fixed and communicated by UEFA (31 May in principle).

(A) From step 5:

If the documents are not complete or if they are not sent within the set deadline, the Licensing Manager contacts the Licence applicant in order to try to agree on the next actions to be taken (e.g. to request information, supporting documents, questionnaire or form that is missing)

(B) From step 8:

If the criteria expert identifies areas that require further information, he contacts the Licence applicant to discuss any issue to obtain clarifications, and tries to reach a mutual agreement on the actions to be taken.

If the Licensing Manager identifies areas that require further review (non-compliance with certain criteria, errors, lack of information, etc.), he contacts the Licence applicant to discuss any concerns. The Licensing Manager may require further explanations or supporting documents or may decide to perform a site visit for the purposes of further investigation. If a site visit is planned, the Licensing Manager and/or the criteria expert meet with the Licence applicant and address the problem areas.

They identify potential actions by the license applicant to rectify these areas together with a timescale.

(C) Decision.

Two alternatives:

If the Licence applicant agrees with the Licensing Manager on the actions to be taken, then go back to step 9.

If the Licence applicant does not agree with the Licensing Manager's report and refuses to deliver new information or to take the necessary actions, then go back to step 11.

(D) After careful review of the Licence applicant's documents and of the report of the Licensing Manager, the Club Licensing Committee refuses to grant the UEFA Licence. The refusal details the areas to be addressed and the Licence applicant is given the possibility to lodge an appeal before the Club Licensing Appeals Committee.

(E) The Licence applicant lodges an appeal. The Club Licensing Appeals Committee is notified and the meeting date is set.

(F) The Licensing Manager produces a report and delivers it to the Club Licensing Appeals Committee. The report details areas of concern and the reasons for the refusal.

(G) The Club Licensing Appeals Committee meets and considers the appeal. The Club Licensing Appeals Committee may require further information and/or supporting documentation from the Licensing Manager and /or appellant that must be submitted within the determined deadline.

(H) If the Club Licensing Appeals Committee receives any document that had already been requested by the Club Licensing Department but was not delivered until the determined deadline before the decision of the Club Licensing Committee, the Licensing Appeals Committee may take such document into consideration, but must penalize the Licence applicant for not having met the set deadline.

(I) Decision.

Two alternatives: step 10 or to step (J).

- (J) After careful review of the Licence applicant's documents and of the report of the Licensing Manager, the Club Licensing Appeals Committee refuses to grant the UEFA Licence. The report of the Club Licensing Appeals Committee details the reasons for the refusal and the areas to be addressed.

ANNEX II: Special permission to enter the UEFA club competitions - extraordinary application of the club licensing system

The UEFA administration defines the minimum criteria for the extraordinary application of the club licensing system as specified in Article 20 and communicates them to FFM at the latest by 31 August of the year preceding the Licence season.

FFM must notify the UEFA administration of such extraordinary application request(s) in writing by 15 April at the latest, stating the name(s) of the club(s) concerned.

The UEFA administration defines the necessary deadlines and forwards these to the FFM.

FFM is responsible for submitting the criteria to the club(s) concerned for the assessment for the extraordinary procedure at national level. FFM must also take immediate action with the club(s) concerned to prepare for the extraordinary procedure.

The club(s) concerned must provide the necessary documentary proof to the licensor that will assess the club(s) against the fixed minimum standards and forward the following documentation in English to the UEFA administration by the deadline communicated by the latter:

- a) a written request to apply for special permission to enter the corresponding UEFA club competition;
- b) a recommendation by the licensor based on its assessment (including the dates and names of the persons having assessed the club(s));
- c) all documentary evidence provided by the club(s) and the licensor as requested by the UEFA administration;
- d) any other documents requested by the UEFA administration during the extraordinary procedure.

The UEFA administration bases its decision on the documentation received and grants special permission to enter the UEFA club competitions if all the set criteria are fulfilled and if the club(s) ultimately qualifies on sporting merit. The decision will be communicated to FFM, which has to forward it to the club(s) concerned.

If such a club is eliminated on sporting merit during this extraordinary procedure, FFM has to notify the UEFA administration immediately, and this procedure is immediately terminated, without further decision. Such a terminated procedure cannot be restarted at a later stage.

Appeals can be lodged against decisions made by the UEFA administration in writing before the Court of Arbitration for Sport (CAS) in accordance with the relevant provisions laid down in the *UEFA Statutes*.

ANNEX III: Determination of the auditor and auditor's assessment procedures

A. Principle

The auditor must be independent in compliance with the International Federation of Accountants (IFAC) *Code of Ethics for Professional Accountants*.

The auditor is a legal entity and member of the Institute for Certified Auditors of Republic of Macedonia.

The auditor should not be under any measure imposed by the Institute for Certified Auditors of Republic of Macedonia or the Council for Advancement and Oversight of the Audit of the Republic of Macedonia in the last three years, preceding the licensing season.

B. Assessment procedures

The auditor must audit the annual financial statements.

The auditor's report must:

- a) include a statement confirming that the audit was conducted in accordance with the International Standards on Auditing (ISA); and
- b) be submitted to the licensor together with the annual financial statements to form a basis for the licensing decision.

The auditor must assess supplementary information and/or restated financial statements, if any. The auditor's report of factual findings must:

- a) describe the procedures prescribed by the licensor and the findings in respect of each;
- b) include a statement confirming that the assessment was conducted by way of agreed-upon procedures according to ISRS 4400; and
- c) be submitted to the licensor together with the supplementary information to form a basis for the licensing decision.

Financial information other than the financial statements may be assessed by an auditor. In this case, the auditor's report of factual findings must:

- a) include a statement confirming that the assessment was conducted either:
- b) by way of agreed-upon procedures according to ISRS 4400; or
- c) for the assessment of future financial information, according to the International Standard for Assurance Engagements (ISAE) 3400; and
- d) be submitted to the licensor together with the relevant documentation to form a basis for the licensing

ANNEX IV: Minimum disclosure requirements in the financial statements

A. Principle

Licence applicants must present their financial statements/information as set out in articles 52 and 56 to these Regulations, in conformity with the International Financial Reporting Standards.

Each component of the financial statements/information must be identified clearly. The following information must be displayed prominently, and repeated where necessary within the financial statements, for a proper understanding of the information presented:

- a) The name (and legal form), domicile and business address of the reporting entity and any change in that information since the previous annual accounting reference date;
- b) Whether the financial information covers the individual Licence applicant/licensee, a group of entities or some other combination of entities, and a description of the structure and composition of any such group or combination;
- c) The annual accounting reference date and the period covered by the financial information (for both current and comparative information); and
- d) The presentation currency.

If the annual financial statements and/or interim financial statements are not in compliance with the disclosure requirements set out in Annex IV, then the licence applicant must also submit to the licensor:

- a. supplementary information to meet the disclosure requirements set out in Annex IV;
- b. an assessment report provided by the same auditor that signs the annual financial statements and/or interim financial statements by way of agreed-upon procedures prescribed by the licensor in respect of the completeness and accuracy of the restated financial statements.

B. Statement of financial position (balance sheet)

The minimum requirements for statements of financial position (balance sheet) items are stated below.

Assets

- i. cash and cash equivalents

- ii. accounts receivable from player transfers (current and non-current)
- iii. accounts receivable from group entities and other related parties (current and non-current)
- iv. other current accounts receivable
- v. tax assets (current and non-current)
- vi. inventories
- vii. other assets (current and non-current)
- viii. tangible fixed assets
- ix. intangible assets
- x. investments

Liabilities

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

Net assets/liabilities

- xxiii. net assets/liabilities

Equity

- xxiv. share/fund capital
- xxv. revaluation reserve
- xxvi. other reserves

Management may consider that line items (i) to/and (xxvi) are best presented on the face of the statements of financial position or in the notes.

C. Statement of comprehensive income (profit and loss account)

The minimum requirements for statement of comprehensive income are stated below.

Revenue

- i. ticket receipts
- ii. sponsorship and advertising
- iii. broadcasting rights
- iv. commercial activities
- v. UEFA solidarity and prize money
- vi. Grants/subsidies from national football body or government
- vii. other operating income
- viii. total revenues (a sum of (i) to (vii))

Expenses

- ix. cost of sales/material costs
- x. employee benefit expenses (players and other employees)
- xi. depreciation and impairment of tangible fixed assets
- xii. amortisation and impairment of intangible fixed assets
- xiii. Other operating expenses
- xiv. total operating expenses (a sum of (ix) to (xiii)).

Players registrations

- xv. expense from the disposal of player registrations
- xvi. revenues from sales of player registrations,
- xvii. profit/loss from disposal of players registrations.

Other

- xviii. profit/loss on disposal of tangible assets
- xix. finance income and expense
- xx. non-operating income/expense
- xxi. tax income/expense
- xxii. profit or loss after taxation
- xxiii. other comprehensive income
- xxiv. total comprehensive income (a sum of viii, xiv, xvii to xxi and xxiii)

Management may consider that line items (i) to (xxiv) are best presented on the face of the statement of comprehensive income or in the notes.

D. Cash flow statement

The cash flow statement must report cash flows for the financial period (and comparatives for the previous financial period), classified separately as stated below.

a) Cash flows from operating activities

Operating activities are the principal revenue-producing activities of the reporting entity and other activities that are not investing or financing activities. Therefore, they generally result from the transactions and other events that enter into the determination of net result. The minimum disclosure requirements are stated below:

i. Net cash inflow/outflow from operating activities

b) Cash flows from investing activities

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

The minimum disclosure requirements are stated below:

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

c) Cash flows from financing activities

Financing activities are activities that result in changes in the size and composition of the contributed equity share capital and borrowings of the reporting entity. The entity must separately report major each class of gross cash receipts and gross cash payments arising from financing activities.

The minimum disclosure requirements are stated below:

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

d) Other cash flows

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

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

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

E. Notes to the financial statements

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

a) accounting policies

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

b) Tangible assets

Each class of tangible asset must be disclosed separately (e.g. property, stadium, equipment and right to revenues from sales of a player by the club in which the player was previously registered). The following information must be disclosed for each class of tangible asset:

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

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

c) Intangible assets

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

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

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

See Annex V for further information on accounting requirements for player registrations.

d) Pledged revenues and assets

The reporting entity must disclose:

- i. The existence and amounts of restrictions on title, and property, plant and equipment (such as the stadium and training facilities) pledged as security for liabilities or contingent liabilities.
- ii. The existence and carrying amounts of intangible assets whose title is restricted and the carrying amount of intangible assets (such as player registrations) pledged as security for liabilities or contingent liabilities; and
- iii. The existence and carrying amount of financial assets and/or amount of future income (such as receivables and future income in respect of disposal of a player's registration, competition distributions/prize money, season ticket and other gate receipts, broadcasting rights and sponsorship arrangements) pledged as security for liabilities or contingent liabilities.

e) Investments

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

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

f) Bank overdrafts and loans

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

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

g) Provisions

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

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

h) Issued capital and reserves

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

i) Share/fund capital

In relation to share capital issued during the reporting period the following must be disclosed:

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

ii) Revaluation reserves

Where items of property, stadium, equipment and/or intangible assets are stated at revalued amounts, the revaluation surplus, indicating the change for the reporting period and any restrictions on the distribution of the balance to shareholders, must be disclosed. iii. Other reserves Any other form of reserves that is not contained in revaluation reserves, including any changes for the reporting period and any restrictions on the distribution of the balance to shareholders, must be disclosed.

iii. Other reserves Any other form of reserves that is not contained in revaluation reserves, including any changes for the reporting period and any restrictions on the distribution of the balance to shareholders, must be disclosed.

iii) Retained earnings

The balance of retained earnings at the beginning of the reporting period and at the balance sheet date, and changes during the reporting period, must be disclosed

i) Controlling party and ultimate controlling party

When the reporting entity is controlled by another party, the related party relationship and the name of that party must be disclosed and, if different, that of the ultimate controlling party.

This information must be disclosed irrespective of whether any transactions have taken place between the reporting entity and the controlling party or parties.

j) Related party transactions

A related-party transaction means a transfer of resources, services or obligations between related parties, regardless of whether a price has been charged. A related-party transaction may or may not have taken place at fair value. If there has been one or more related party transactions during the reporting period, the reporting entity must disclose the nature of the related party relationship, as well as information about the transaction(s) and outstanding balances, including commitments, necessary for an understanding of the potential effect of the relationship on the financial statements. Items of a similar nature may be disclosed in aggregate except when separate disclosure is necessary to understand the effects of related-party transactions on the financial statements of the reporting entity. As a minimum, disclosures for each related party must include::

- i) the amount and the nature of the transaction(s);

ii) the amount of outstanding balances, including commitments, and:

- their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in settlement; and
- details of any guarantees given or received;

iii) provisions for doubtful debts related to the amount of outstanding balances; and

iv) the expense recognised during the period in respect of bad or doubtful debts due from related parties.

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

- the parent;
- entities with joint control or significant influence over the reporting entity;
- subsidiaries;
- associates;
- joint ventures in which the reporting entity is a venturer;
- the entity or its parent's key management personnel;
- other related parties

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

k) Contingent liabilities

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

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

l) Events after the balance sheet date

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

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

m) Other disclosures

- i) Agents/intermediators' fees

The total amount incurred in the reporting period in respect of or for the benefit of agents/intermediaries must be disclosed.

- ii) Tax expense

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

iii) Miscellaneous

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

F. Accounting regarding player registrations

In the Republic of Macedonia, the licence applicant registers the costs that are related to the rights of restoration/transfer of players as expense for the period (in the statement of comprehensive income). In player logging table.

The acquisition of a player's registration must be recognised in the financial statements when all significant conditions for the transfer to take place have been satisfied, i.e. it is effectively unconditional, which means that there must be a legally binding agreement between the two clubs and between the acquiring club and the player.

The disposal of a player's registration must be recognised in the licence applicant's financial statements when all significant conditions for the transfer to take place have been satisfied, i.e. it is effectively unconditional and the risks and rewards have been transferred to the new club.

Player identification/Logging table

1. All licence applicants/licensees must prepare and submit to the licensor a player identification table.
2. The player identification table must be provided to the auditor, who must reconcile the aggregate figures in the player identification table to the relevant figures in the balance sheet and statement of comprehensive income (profit and loss account) in the audited annual financial statements. However, the player identification table does not need to be disclosed within the annual financial statements.
3. The minimum information to be included in the player identification table in respect of each relevant player is as follows:
 - a) Name and date of birth;
 - b) Start date of original player contract and end date of current contract;
 - c) Costs of the player's registration;
 - d) Profit/loss from disposal of players registration and
 - e) Right to a revenue share (or similar) from sales of players, i.e. description and if possible, overview of all rights to revenue share of the football clubs where the player previously was registered, with the exception of the training compensation and/or solidarity contributions.
4. Relevant players, about whom details are required in the the player identification table, are:
 - a) all players whose registration is held by the licence applicant/licensee at any time during the period and in respect of whom some direct acquisition cost has been incurred (at some point in time in the reporting period or prior periods); and
 - b) all players in respect of whom some income/profit (or loss) has been recognised (at some point in time in the reporting period).
 - c) For licence applicants/licensees who have restated player accounting figures to meet the accounting requirements of these regulations, these aggregate figures from the player identification table must agree with/be reconciled to the restated financial statements.

Profit/loss on disposal of a player's registration must be calculated net of any amounts paid and/or payable that are directly attributable to the disposal of the player's registration, comprising:

- a. realised conditional transfer compensation for amounts which have become payable on the disposal of the player's registration (e.g. sell-on fee payable to another club);
- b. any other directly attributable amounts paid and/or payable to another party such as another football club, agent/intermediary, or

national football association/league.

The licence applicant must apply the following adjustments in respect of the permanent transfer of a player's registration between clubs that are related parties:

a. The club that has transferred in the player's registration must calculate the cost of acquiring the player's registration – for the calculation of an amortization charge for the reporting period (for clubs using the amortization and amortization method of accounting for player registrations) or for the costs of the player's registration (for clubs using the income and expense method of accounting for player registrations) – using the greater of the following amounts:

i. The actual transaction cost of acquiring the player's registration;

ii. The historical costs of the player's registration in the financial statements of the club that has transferred out the player. If the calculated amortisation charge is greater than the recorded amortisation charge or the calculated costs of the player's registration are greater than the recorded costs of the player's registration, then an appropriate adjustment must be made so that the difference is recognised in the restated financial statements.

The above accounting requirements apply by analogy to any other personnel, e.g. head coach, and release income/costs or similar paid to another club.

G. Accounting records for temporary transfer of players

1. The minimum required accounting requirements for License applicants having transactions related to temporary transfers of players' registration (loans) are as follows:

2. The fees paid/charged for the loan must be presented as income/expenditure from transfers,

3. Borrowing a player from the Lending Club (that gives the player as a loan) to the New Club without obligation/purchasing option:

a) The compensation for the Loan received/ borrowed by the Lending Club, if any, must be recognized as income during the Loan Agreement period. The Lending Club will systematically present the expense for the player in the period (in the comprehensive profit report).

b) The compensation for the Loan paid to/ or due to the New Club, if any, must be recognized as an expenditure in the period (in the comprehensive profit report).

4. The Loan of the player from the Lending Club by the New Club with an unconditional obligation to purchase:

a) The Loan must be presented by the Lending Club as a permanent transfer. The benefits (profit) from the Loan and the future permanent transfer must be recognized from the beginning of the Loan Agreement.

b) The direct expenses for the loan and the future permanent transfer for the New Club must be recognized by the New Club in accordance with the accounting requirements for permanent purchase of players.

5. Loan of a player from a Lending Club to a New Club with a purchasing option

a) The transaction must be presented as a Loan and the benefits of the future permanent transfer must be recognized in accordance with the accounting requirements for permanent purchase of players.

b) When the option is activated by the New Club, all remaining lending expenses and the expenses for the future permanent transfer must be recognized by the New Club in accordance with the accounting requirements for permanent purchase of players.

6. Loan of a player from a Lending Club to a New Club with a conditional purchasing obligation

a) If the condition is considered to be certainly fulfilled, the registration of the player must be recognized in both clubs as a permanent transfer from the start of the Loan Agreement,

b) If the fulfilment of the requirement cannot be assessed with sufficient certainty to begin the permanent transfer from the beginning of the Loan, then the transfer must first be recognized as a Loan and then as a permanent transfer once the condition is fulfilled.

The licence applicant must apply the following adjustments in respect of the temporary transfer of a player's registration between clubs that are related parties:

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

i. The actual transaction cost in the reporting period;

ii. The aggregate amount of the amortisation charge in respect of the player's registration and the employee benefit expenses in respect of the player for the period of the loan as recorded in the financial statements of the club that has temporarily transferred out the player.

If the calculated expense is greater than the recorded expense, then an appropriate adjustment must be made so that the difference is recognised in the restated financial statements.

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

i. The actual transaction income in the reporting period;

ii. The aggregate amount of the amortisation charge in respect of the player's registration and the employee benefit expenses in respect of the player for the period of the loan as recorded in the financial statements of the club that has temporarily transferred out the player.

If the calculated income amount is lower than the recorded income, then an appropriate adjustment must be made so that the difference is recognised in the restated financial statements.

H. Accounting records for specific expenses

1. Expenses for employees arising from bonus or other benefits

a) All obligations payable to employees in respect of contractual or legal obligations, including salaries, remunerations, and copyrights related to the person's appearance in the public domain, work contracts, bonuses and other benefits must be shown as expenditure for employees.

b) Bonuses and/or other benefits that are the sole obligation of the club for an individual without any additional conditions or service obligations (e.g. if the club has no other choice but to pay) must be recognized as expenditure for employees when they occur.

c) Bonuses and/or other benefits that depend on a future condition that should be satisfied by the player and/or the club, such as the player's participation in matches and/or the performance in the club competitions, must be recognized as expenditure for employees at the moment when the requirement is satisfied or its fulfilment becomes very certain.

d) The other benefits and/or bonus of the players when concluding and/or continuing an employment contract with any condition or service obligation must be recognized on a systematic basis for the entire relevant period.

2. Benefits for employees in case of dismissal

The club must fully recognize the expenditure for benefits for employees in case of dismissal when the club can no longer withdraw the offer of those benefits.

3. Accounting records for specific income

1. Season tickets and similar income

Income related to the sale of season tickets or similar sales related to matches must be recognized on a proportional basis at the time when the respective matches are being held during the period.

2. Broadcasting rights and/or funds from UEFA for solidarity and/or awards

a) Income related to broadcasting rights and/or other funds for participation in fixed matches must be recognized on a proportional basis at the time when the respective matches are being held during the period.

b) Income related to broadcasting rights and/or other funds for participation in matches that are variable depending on the fulfilment of certain conditions by the club (such as bonuses for success in matches) must be recognized at the moment when those conditions are fulfilled.

3. Income related to sponsorship and advertising rights

a) Income related to sponsorship and advertising rights that are fixed must be recognized on a proportional basis within the period covered by the sponsorship rights and/or advertising arrangements..

b) Income related to sponsorship and/or advertising rights that are variable and dependent on the fulfilment of certain conditions that a club should fulfil (such as bonuses for success in matches) must be recognized at the time when the success obligations are recognized.

c) Any non-cash compensation as part of a sponsorship and/or advertising arrangement must be measured at fair value.

4. Donations and grants/subsidies

a) A donation is an unconditional gift of assets that must be recognized as remaining operating income when they are obtained,

b) Grants/subsidies cannot be recognized in the club's accounting system until there is reasonable assurance that the club will meet the conditions required to obtain the grant/subsidies and that the grant/subsidies will be received. After that, the grant must be recognized in the positive accounts on a systematic basis in the reporting periods when also the expenses for the associated expenditure that the grant/subsidies is intended to cover are recognized. Therefore, the grants/subsidies in relation to specific expenses are recognized in the positive accounts in the same reporting period as the corresponding expenses. Similarly, grants/subsidies associated with depreciated assets are recognized in the positive accounts for periods and in the proportion in which the expense for the depreciation is recognized. A grant/subsidies that becomes a claim for reimbursement of costs or losses already recognized or in order to provide immediate financial support without linking up to future costs must be recognized in the positive accounts in the period when that claim occurs.

J. Financial review by management

The annual financial statements must include a financial review or commentary by management (sometimes referred to as a directors' report) that describes and explains the main features of the reporting entity's financial performance and financial position and the principal risks and uncertainties it faces.

The annual financial statements must also include the names of persons who were members of the reporting entity's executive body or board of directors and its supervisory bodies at any time during the year.

ANNEX V: Accounting requirements for the preparation of financial statements

A. Principle

Annual financial statements as defined in Article 52 must be based on International Financial Reporting Standards (IFRS)- regardless of the legal structure of the Licence applicant.

Annual financial statements must be prepared on the assumption that the Licence applicant is a going concern, meaning it will continue in operation for the foreseeable future. It is assumed that the licence applicant has no intention or need to go into liquidation, cease trading or seek protection from creditors pursuant to laws or regulations.

The financial reporting framework, suitable as a basis for the preparation of financial statements, must contain certain underlying principles including:

- a. fair presentation;
- b. consistency of presentation;
- c. accrual basis for accounting;
- d. separate presentation of each material class of items;
- e) no offsetting of assets and liabilities or income and expenses; unless permitted by domestic legislation.

Notwithstanding that each licence applicant has to prepare annual financial statements and interim financial statements under its own national accounting practice for incorporated companies, these rules include specific accounting requirements that need to be applied, as indicated in Annex IV F to J and Annex V B.

If the annual financial statements and/or interim financial statements are not in compliance with the accounting requirements set out in Annex VII, then the licence applicant must also submit to the licensor:

- a. restated financial statements to meet the accounting requirements set out in Annex VII, covering the same period and including comparative amounts for the previous comparative period;
- b. a declaration by the licence applicant's management that the restated financial statements are complete, accurate and in compliance with the regulations; and
- c. an assessment report provided by the same auditor that signs the annual financial statements and/or interim financial statements by way of agreed-upon procedures prescribed by the licensor in respect of the completeness and accuracy of the restated financial statements.

Restated financial statements must include:

- a. a restated balance sheet as at the end of the period;
- b. a restated profit and loss account/income statement for the period;
- c. a restated statement of changes in equity for the period; and
- d. notes, comprising a summary of significant accounting policies, other explanatory notes, and a note (or notes) reconciling the balance sheet and profit and loss account/income statement between the restated financial statements and the relevant annual financial statements or interim financial statements.

B. Consolidation/combination requirements

The financial information of all entities included in the reporting perimeter (as defined in Article 51) must be either consolidated or combined as if they were a single company.

Consolidated financial statements are the financial statements of a group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single company.

Combined financial statements are those that include information about two or more commonly controlled entities without information about the controlling entity.

If the licence applicant is a football company as per Article 17, it must provide the licensor with the financial information of the football company and the registered member of MFU/FFM (e.g. combined or consolidated financial statements as if they were a single company).

ANNEX VI: Notion of ‘overdue payables’

Payables are considered as overdue if they are not paid according to the agreed terms or other legally binding conditions or in accordance with the deadlines given in the general and individual acts of the Licensor.

Payables are not considered as overdue, within the meaning of these Regulations, if the Licence applicant is able to prove by 31 March in respect of Articles 53, 53a, 54 and 54a and 15 July, 15 October and 15 January that:

- a. the relevant amount has been settled, i.e. either paid in full or offset against the creditor’s obligations towards the debtor; or
- b. the deadline for payment of the relevant amount has been deferred (referred to as “amounts deferred” in these regulations), i.e. an agreement has been concluded in writing with the creditor to extend the deadline for payment (a creditor not requesting payment of an amount does not constitute an extension of the deadline); or

the relevant amount is subject to a legal claim or open proceedings (referred to as “amounts disputed” in these regulations), meaning:

- i. the debtor has brought a legal claim which has been deemed admissible by the competent authority under national law or has opened proceedings with the national or international football authorities or relevant arbitration tribunal contesting liability in relation to the overdue payable, knowing that if the decision-making bodies (licensor or CFCB) consider that such claim has been brought or such proceedings have been opened for the sole purpose of avoiding the applicable deadlines set out in these regulations (i.e. in order to buy time), the amount will still be considered as an overdue payable; or
- ii. the debtor has contested to the competent authority under national law, the national or international football authorities or the relevant arbitration tribunal, a claim which has been brought or proceedings which have been opened against it by a creditor in respect of overdue payables and is able to demonstrate to the comfortable satisfaction of the relevant decision-making bodies (licensor or CFCB) that it has established reasons for contesting the claim or proceedings which have been opened, knowing that if the decision-making bodies (licensor or CFCB) consider the reasons for contesting the claim or proceedings as manifestly unfounded the amount will still be considered as an overdue payable; or

a. the settlement of the relevant amount is pending (referred to as “amounts pending” in these regulations), meaning:

- i. the debtor has requested a competent authority, in writing and in accordance with the applicable law, to extend the deadline for payment of payables to social/tax authorities (as defined by Articles 53a, 54a, , and the competent authority has confirmed in writing that this request has been deemed admissible and still pending by 31 March (in respect of Article 54a) or by 15 July, 15 October and 15 January respectively or
- ii. the debtor is able to demonstrate to the comfortable satisfaction of the relevant decision-making bodies (licensor or CFCB) that it has taken all reasonable measures to identify and pay the creditor(s) in respect of training compensation and solidarity contributions (as defined in the FIFA Regulations on the Status and Transfer of Players).

ANNEX VII: Licensor's assessment procedures for the financial criteria and requirements

A. Principle

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

The assessment processes to check compliance with the defined provisions set out in Article 15 and Article 58 comprise specific assessment steps that must be followed by the licensor as set out below.

B. Assessment of the auditor's report on the annual financial statements

In respect of the annual financial statements and interim financial statements, the licensor must perform the following minimum assessment procedures:

- a) Assess whether the reporting perimeter is appropriate for club licensing purposes.
- b) Assess the information (annual financial statements that may also include supplementary information) submitted to form a basis for the licensing decision.
- c) Read and consider the annual financial statements and interim financial statements and the auditor's report thereon.
- d) Address the consequences of any modifications to the audit report (compared to the normal form of unqualified report) and/or deficiencies compared to the minimum disclosure and accounting requirements according to paragraph II below.

Having assessed the reporting perimeter and read the auditor's report on the annual financial statements, the licensor must assess it according to the items below:

- a) If the reporting perimeter does not meet the requirements of Article 51, the UEFA Licence must be refused.
- b) If the auditor's report has an unqualified opinion, without any modification, this provides a satisfactory basis for granting the UEFA Licence.
- c) If the auditor's report has a disclaimer of opinion or an adverse opinion, the UEFA Licence must be refused, unless a subsequent audit opinion without disclaimer of opinion or adverse opinion is provided (in relation to another set of financial statements for the same financial year that meet the minimum requirements) and the licensor is satisfied with the subsequent audit opinion.
- d) If the auditor's report has, in respect of going concern, an emphasis of matter, a key audit matters or a qualified 'except for' opinion, the UEFA Licence must be refused, unless either:
 - i) a subsequent audit opinion without going concern, an emphasis of matter, key audit matter or qualification is provided, in relation to the same financial year; or
 - ii) additional documentary evidence demonstrating the Licence applicant's ability to continue as a going concern until at least the end of the Licence season has been provided to, and assessed by, the licensor to its satisfaction. The additional documentary evidence must include, but is not necessarily limited to, the information described in Article 55 (Future financial information).
- e) If the auditor's report has, in respect of a key audit matter other than going concern, an emphasis of matter, a key audit matter or a qualified 'except for' opinion, then the licensor must consider the implications of the modification for club licensing purposes. The UEFA Licence may be refused unless additional documentary evidence is provided and assessed to the satisfaction of the licensor. The additional evidence that may be requested by the licensor will be dependent on the reason for the modification to the audit report.

f) If the auditor's report makes a reference to any situation defined in Article 50b) the UEFA Licence must be refused.

If the Licence applicant provides supplementary information and/or restated financial statements, the licensor must additionally assess the auditor's report on the agreed-upon procedures in respect of the supplementary information and/or restated financial statements. The UEFA Licence may be refused if the auditor's report is not to the satisfaction of the licensor and/or includes reference to errors and/or exceptions found.

The licensor must check that the licence applicant has published the financial information in accordance with Article 52a.

C. Assessment of licensing documentation for the net equity rule

In respect of the net equity rule, the licensor must perform the following minimum assessment procedures:

- a. Determine the net equity position as at the 31 December preceding the deadline for submission of the application to the licensor based on the annual financial statements or interim financial statements;
- b. Assess, if applicable, whether the subordinated loans meet the required conditions;
- c. If the net equity position as at the 31 December preceding the deadline for submission of the application to the licensor is negative, assess whether it has improved by at least 10% compared with the net equity position that enabled the licence applicant to satisfy the net equity rule in the previous year;
- d. If the equity rule is not fulfilled as at the 31 December preceding the deadline for submission of the application to the licensor, assess if the licence applicant has submitted by 31 March at the latest a new audited balance sheet, including any contributions made since 31 December, demonstrating that the net equity position has improved by at least 10% compared with the net equity position that enabled the licence applicant to satisfy the net equity rule in the previous year.

D. Assessment of licensing documentation for no overdue payables

In respect of the "no overdue payables" criteria to football clubs, employees, and social/tax authorities, Football Federation of Macedonia and UEFA the licensor may decide:

- a. to assess itself the information submitted by the licence applicant, in which case it must perform the assessment as set out in paragraph I.4.2; or
- b. to have independent auditors carry out the assessment procedures in accordance with ISRS 4400, in which case the licensor must assess the information submitted by the licence applicant (in particular the payables tables and corresponding supporting documents) and review the auditor's report. The licensor may carry out any additional assessment it believes necessary, including by extending the sample or requesting additional documentary evidence from the licence applicant.

Notwithstanding whether the assessment is carried out by the licensor or an independent auditor in respect of the "no overdue payables" criteria to football clubs, employees and social/tax authorities, the following minimum procedures must be performed and described in the licensor's or auditor's report:

- a. Obtain the payables tables as at 31 March submitted by the licence applicant in respect of obligations due to be paid by 28 February (i.e. the transfers table, the employee table, the social/tax table and corresponding supporting documents);
- b. Perform the necessary steps (including determination of the sample size) to assess the completeness and accuracy of the reported balances and issue a conclusion with regard to each of the procedures performed;
- c. Check the completeness of any overdue balance reported by the licence applicant as at 28 February;

d. Check the settlement of any overdue payables between 28 February and 31 March; and

e. Identify any overdue balance as at 31 March. I.4.3 In respect of the “no overdue payables” criterion in respect of UEFA and the licensor, the licensor must perform, as a minimum, the following assessment procedures:

a. Review any information received from UEFA with regard to pending overdue amounts owed by the licensor’s affiliated clubs and check the settlement of any overdue balance between 28 February and 31 March; and

b. Carry out any additional assessment and request any additional documentary evidence from the licence applicant it believes necessary.

E. Assessment of the written representation letter prior to the licensing decision

In respect of the written representation, FFM must read and consider the impact of any significant change that has occurred in relation to the club licensing criteria.

FFM must also read and consider the information in respect of any event or condition of major economic importance, in combination with the financial statements, future financial information and any additional documentary evidence provided by the Licence applicant. The licensor may decide to have this assessment carried out by an auditor.

FFM must assess the club’s ability to continue as a going concern until at least the end of the licence season. the UEFA Licence must be refused if, based on the financial information that the licensor has assessed, in the licensor’s judgement, the Licence applicant may not be able to continue as a going concern until at least the end of the Licence season.

If the Licence applicant (or the registered member of MFU/FFM which has a contractual relationship with the Licence applicant within the meaning of Article 17) or any parent company of the Licence applicant included in the reporting perimeter is/was seeking protection or has received/is still receiving protection at time of assessment from its creditors pursuant to laws or regulations (including voluntary or mandated administration procedures) within the 12 months preceding the licence season then the UEFA Licence must be refused.

For the avoidance of doubt the UEFA Licence must also be refused even if the concerned entity is no longer receiving protection from its creditors at the moment the licensing decision is taken.

F. Assessment of the future financial information

In respect of future financial information, the licensor must assess whether or not the licence applicant exhibits the condition as defined in Article 55. If the licence applicant is required to submit future financial information, the licensor may decide: to assess the information submitted by the licence applicant, in which case the licensor must perform the assessment according to the paragraph 2 below; or

Evaluation procedures, which can also be carried out by an auditor, must include at least the following:

a) Verify that future financial information is arithmetically accurate;

b) Determine through discussion with the license applicant’s management and review of the future financial information, whether the future financial information has been prepared using the disclosed assumptions and risks;

c) Check that the opening balances contained within the future financial information are consistent with the balance sheet shown in the immediately preceding audited annual financial statements; and

d) Check that the future financial information has been formally approved by the executive body of the Licence applicant by way of a declaration by the licence applicant’s management that the documents submitted are complete, accurate and in compliance with these regulations;.

e) If applicable: examine corresponding supporting documents, including agreements with sponsors, banking facilities, share capital increase, bank guarantees and minutes of board meetings.

Management Board / Board of Directors (governing body).

The licensor must assess the liquidity of the licence applicant (i.e. the availability of cash after taking account of financial commitments) and its ability to continue as a going concern until at least the end of the licence season. The UEFA Licence must be refused if, based on the financial information that the licensor has assessed, in the licensor's judgement, the Licence applicant may not be able to meet its financial commitments as they fall due and continue as a going concern until at least the end of the Licence season.

G. Assessment of monitoring documentation for the solvency requirements

In respect of the monitoring documentation for the "no overdue payables" requirements (towards football clubs, employees and social/tax authorities), the licensor must perform, as a minimum, the following assessment procedures:

a. Read the licensee's completed payables information and make enquiries to the licensee if there is any information with regard to amounts payable to other clubs, employees and social/tax authorities that may be incomplete and/or inaccurate based on the licensor's existing knowledge of the licensee from club licensing and/or other reasonable sources;

b. Confirm that all requested supporting documents have been attached to the licensee's submission.

The licensor must confirm to the CFCB and/or the UEFA administration the results of the above assessment procedures.

H. Assessment of monitoring documentation for the stability requirements

In respect of the monitoring documentation for the stability requirements, the licensor must assess whether or not the financial information submitted by the licensee corresponds to the information in respect of the same reporting entity/ entities submitted for club licensing purposes.

In addition, the licensor's assessment must include, as a minimum, the following procedures:

a. Check that the amounts in the monitoring documentation for the stability requirements and that the key balances identified by UEFA are consistent with the amounts contained in the annual financial statements and underlying accounting records;

b. Check that the monitoring documentation for the stability requirements has been formally approved by the executive body of the licensee by way of a declaration by the licensee's management that the documents submitted are complete, accurate and in compliance with these regulations.

The licensor must confirm to the CFCB and/or UEFA administration the results of the above assessment procedures.

I. Assessment of monitoring documentation for the cost control requirements

In respect of the monitoring documentation for the cost control requirements, the licensor must assess whether or not the financial information submitted by the licensee corresponds to the information in respect of the same reporting entity/ entities submitted for club licensing purposes.

In addition, the licensor's assessment must include, as a minimum, the following procedures:

a. Check that the amounts in the monitoring documentation for the cost control requirements and those identified by UEFA are consistent with the amounts contained in the annual financial statements and/or interim financial statements, and/or in the supplementary information if applicable, and in the underlying accounting records;

b. Check that the monitoring documentation for the cost control requirements has been formally approved by the executive body of the licensee by way of a declaration by the licensee's management that the documents submitted are complete, accurate and in compliance with these regulations.

The licensor must confirm to the CFCB and/or the UEFA administration the results of the above assessment procedures.

Annex VIII- Catalog of sanctions/Procedure

1. In accordance with the principles of the disciplinary procedure established in the FFM Disciplinary Regulations, disciplinary regulations are established for the licensing system for clubs to participate in club competitions organized by UEFA.

2. The disciplinary regulations from point 1 refer to:

- License applicants/License holders and the responsible natural persons employed by the license applicant who will violate the regulations for club licensing prescribed in this Regulations.
- The competent legal bodies that initiate and lead disciplinary procedures.
- Disciplinary procedure and disciplinary measures (sanctions).

3. Natural persons or applicants/license holders who, in the licensing procedure for participation in club competitions organized by UEFA, will submit to the club licensing bodies, a forged document or incorrect information that may be relevant for making a decision, or violate any of the criteria established in articles 23a, 24 pg...2, 26 pg. 226a, 26, 27a, 27b, 28, 28a, 28b, 28c, 31, 37a, 38a, 40, 40a, 44a, 46, 46a, 46b, 46c, 46d of this Regulations may be punished:

A) Natural Person:

- Warning
- Fine
- Prohibition for performing duties in a football organization for a period of 6 months to 2 years;
- Exclusion from a football organization

B) License Applicant/License Holder

- Warning
- Fine
- Revocation of issued UEFA license
- Prohibition to participate in club licensing procedures, i.e. prohibition to submit an application for a UEFA license for a period of 1 to 3 years.

4. The degree of the sanction is decided according to the gravity of the offense.

5. Disciplinary proceedings may be initiated based on a report by the ML, the Chairman of the Club Licensing Committee or the Chairman of the Club Licensing Complaints Committee.

6. The disciplinary procedure is conducted in the first degree by the Disciplinary Commission of the FFM, and in the second degree by the Appeals Committee of the FFM.

7. The decision of the second-level authority – FFM Appeals Committee is final.

8. The disciplinary procedure is urgent.

9. The Disciplinary Commission must make a decision within 7 (seven) days from the day of submission of the application.

10. An appeal against the decision of the first instance authority (FFM disciplinary committee) is submitted within 3 (three) days from the day of delivery of the decision.

11. An appeal can be filed by the person who was imposed a sanction.

12. The appeal is submitted to the Complaints Committee, through the Disciplinary Committee.

13. The Appeals Committee makes a decision within 7 (seven) days from the day of the submitted appeal.

14. The procedural and other rules established in the Disciplinary Rules of the FFM are applied to the procedure from this Annex.