

UAE PRO LEAGUE



رابطة المحترفين الإماراتية

# CLUB LICENSING FINANCIAL HANDBOOK

SEASON 2026-2027

# TABLE OF CONTENTS

<b>DEFINITIONS</b>	<b>5</b>
<b>INTRODUCTION</b>	<b>21</b>
<b>1 FINANCIAL CRITERIA</b>	<b>22</b>
1.1 OVERVIEW OF THE FINANCIAL CHAPTER.....	22
1.1.1 ACHIEVING THE OBJECTIVES.....	22
1.1.2 HISTORIC FINANCIAL INFORMATION .....	23
1.1.3 FUTURE FINANCIAL INFORMATION AND SUBSEQUENT INFORMATION.....	23
1.1.4 CONFIDENTIALITY OF INFORMATION AND COMMUNICATION OF THE LICENSING DECISION.....	24
1.2 CRITERION F.01: ANNUAL FINANCIAL STATEMENTS .....	27
1.2.1 THE CRITERION .....	27
1.2.2 REPORTING PERIOD.....	28
1.2.3 MINIMUM INFORMATION AND DOCUMENTS TO BE SUBMITTED BY THE LICENCE APPLICANT.....	28
1.2.4 EXTERNAL AUDITOR FOR THE ANNUAL FINANCIAL STATEMENTS .....	46
1.2.5 ASSESSMENT PROCEDURES BY LICENSOR.....	48
1.2.6 LICENSOR DECISION.....	49
1.2.7 RELEVANT APPENDICES.....	51
1.3 CRITERION F.02: INTERIM FINANCIAL STATEMENTS .....	54
1.3.1 THE CRITERION.....	54
1.3.2 REPORTING PERIOD.....	55

1.3.3	MINIMUM INFORMATION AND DOCUMENTS TO BE SUBMITTED BY THE LICENCE APPLICANT.....	55
1.3.4	EXTERNAL AUDITOR FOR THE INTERIM REPORT .....	58
1.3.5	ASSESSMENT PROCEDURES BY LICENSOR.....	60
1.3.6	LICENSOR DECISION.....	61
1.3.7	RELEVANT APPENDICES.....	63
1.4	CRITERION F.03: NO PAYABLES OVERDUE TOWARDS FOOTBALL CLUBS ARISING FROM TRANSFER ACTIVITIES .....	65
1.4.1	THE CRITERION.....	65
1.4.2	REPORTING DATE .....	66
1.4.3	MINIMUM INFORMATION AND DOCUMENTS TO BE SUBMITTED BY LICENCE APPLICANT.....	66
1.4.4	ASSESSMENT PROCEDURES BY LICENSOR.....	69
1.4.5	LICENSOR DECISION.....	70
1.4.6	RELEVANT APPENDICES.....	71
1.5	CRITERION F.04: NO PAYABLES OVERDUE TOWARDS EMPLOYEES AND SOCIAL/TAX AUTHORITIES .....	73
1.5.1	THE CRITERION.....	73
1.5.2	REPORTING DATE .....	74
1.5.3	MINIMUM INFORMATION AND DOCUMENTS TO BE SUBMITTED BY THE LICENCE APPLICANT.....	74
1.5.4	ASSESSMENT PROCEDURES BY LICENSOR.....	78
1.5.5	LICENSOR DECISION.....	79
1.5.6	RELEVANT APPENDICES.....	81
1.6	CRITERION F.05: WRITTEN REPRESENTATIONS PRIOR TO THE LICENSING DECISION.....	82

1.6.1	THE CRITERION.....	82
1.6.2	REPORTING PERIOD.....	83
1.6.3	MINIMUM INFORMATION AND DOCUMENTS TO BE SUBMITTED BY THE LICENCE APPLICANT.....	83
1.6.4	ASSESSMENT PROCEDURES BY THE LICENSOR.....	84
1.6.5	LICENSOR DECISION.....	84
1.6.6	RELEVANT APPENDICES.....	85
1.7	CRITERION F.06: FUTURE FINANCIAL INFORMATION .....	86
1.7.1	THE CRITERION.....	86
1.7.2	REPORTING PERIOD.....	87
1.7.3	MINIMUM INFORMATION AND DOCUMENTS TO BE SUBMITTED BY THE LICENCE APPLICANT.....	87
1.7.4	ASSESSMENT PROCEDURES OF THE FUTURE FINANCIAL INFORMATION BY THE LICENSOR .....	89
1.7.5	LICENSOR DECISION.....	92
1.7.6	RELEVANT APPENDICES.....	93
1.8	CRITERION F.07: DUTY TO NOTIFY SUBSEQUENT EVENTS.....	95
1.8.1	THE CRITERION.....	95
1.8.2	REPORTING PERIOD.....	95
1.8.3	MINIMUM INFORMATION AND DOCUMENTS TO BE SUBMITTED BY THE LICENCEE .....	96
1.8.4	ASSESSMENT PROCEDURES BY THE LICENSOR.....	96
1.8.5	LICENSOR DECISION.....	96
1.8.6	RELEVANT APPENDICES.....	97
1.9	CRITERION F.08: DUTY TO UPDATE FUTURE FINANCIAL INFORMATION .....	98



1.9.1	THE CRITERION.....	98
1.9.2	REPORTING PERIOD.....	99
1.9.3	MINIMUM INFORMATION AND DOCUMENT TO BE SUBMITTED BY THE LICENCEE .....	100
1.9.4	ASSESSMENT PROCEDURES BY THE LICENSOR.....	101
1.9.5	LICENSOR DECISION.....	102
1.9.6	RELEVANT APPENDICES.....	102
1.10	CRITERION F.09: APPOINTMENT OF AUDITOR(S).....	104
1.10.1	THE CRITERION.....	104
1.10.2	REPORTING PERIOD.....	104
1.10.3	MINIMUM INFORMATION AND DOCUMENTS TO BE SUBMITTED BY THE LICENCE APPLICANT.....	105
1.10.4	ASSESSMENT PROCEDURES BY THE LICENSOR.....	106
1.10.5	LICENSOR DECISION.....	106
1.10.6	RELEVANT APPENDICES.....	106

## DEFINITIONS

Term	Definition
Accounting policies	The specific principles, bases, conventions, rules and practices adopted by an entity in preparing and presenting its financial statements.
Administration procedures	Procedures pursuant to laws or regulations whose objectives are to rescue insolvent entities and allow them to carry on running their business. This process, which is an alternative to the liquidation of the entity, is 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.
AFC	Asian Football Confederation
AFC Club Competitions	The AFC Challenge League (ACGL) The AFC Champions League Two (ACL Two) The AFC Champions League Elite (ACL Elite)
AFC Club Licensing Administration System or "CLAS"	The IT system developed by the AFC for the purpose of gathering information from Licence Applicants/Licencees and for sharing information with Licensors concerning their affiliated clubs, within the scope of the implementation, assessment and enforcement of the UAE Professional Club Licensing Regulations.
AFC Club Licensing Financial Handbook (Handbook)	The handbook issued by the AFC which provides operational and technical guidance in relation to the financial criteria in these Regulations. It is a compilation of explanations and templates to support the Licence Applicant in complying with the financial criteria.

AFC Club Licensing Quality Standard	The document issued by the AFC which defines the minimum requirements that a Licensor must comply with in order to operate the club licensing system.
AFC Club Licensing Regulations (Regulations)	The regulations consist of five categories of criteria and a Core Process.
AFC Stadium Regulation	These regulations set out the minimum requirements for a Stadium to be eligible to host matches in AFC Competitions and UAE Pro League Competitions.
Agreed-upon procedures (AUP)	In an engagement to perform agreed-upon procedures, an auditor is engaged to carry out those procedures of an audit nature to which the auditor and the entity and any appropriate third parties have agreed and to report on factual findings. The recipients of the report must form their own conclusions from the report by the auditor. The report is restricted to those parties that have agreed to the procedures to be performed since others, unaware of the reasons for the procedures, may misinterpret the results.
Amortisation	The systematic allocation of the depreciable amount of an intangible asset over its useful life. For example, for the capitalized direct costs of acquiring a player's registration, the useful life is the contract life.
Annual financial statements	A complete set of financial statements prepared as at the statutory closing date, normally including a balance sheet, profit and loss account, a statement of cash flows and those notes, other statements and explanatory material that are an integral part of the financial statements.
Assessment process	See Core Process

Associate	An entity, including an unincorporated entity such as a partnership, over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.
Audit	<p>The objective of an audit of financial statements is to enable the auditor to express an opinion whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework. The phrases used to express the auditor's opinion are "give a true and fair view" or "present fairly, in all material respects", which are equivalent terms. A similar objective applies to the audit of financial or other information prepared in accordance with appropriate criteria.</p> <p>In an audit engagement, the auditor provides a high but not absolute, level of assurance that the information subject to audit is free of material misstatement. This is expressed positively in the audit report as reasonable assurance.</p> <p>The term "Audited" shall be interpreted accordingly.</p>
Budget	The schedules containing an entity's future financial information, based on management's assumptions about events that may occur in the future and possible actions by an entity.
CAS	The Court of Arbitration for Sport, which is located in Lausanne, Switzerland.
Cash and cash equivalents	Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



Club Licensing Criteria	The requirements applicable to the grant of Licences to Licence Applicants, as set out in these Regulations, which are divided into six categories (sporting; infrastructure; personnel and administrative; legal, financial; and Marketing & promotion), with each category being split into three grades: A, B, C (mandatory and best practice recommendation).
Consolidated financial statement	Financial statements of a group presented as those of a single economic entity.
Control	The power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control may be gained by share ownership, statutes or agreement. The terms "Controlled" and "Controlling" shall be interpreted accordingly.
Core process	Minimum requirements that the Licensor has to put in place for verification of compliance with the criteria described in the regulations as basis for the issuance of a Licence to an applicant.
Deadline for submission of the application to the Licensor	The dates by which each Licensor requires Licence Applicants to have submitted all relevant information for each of the relevant Criteria's according to the key dates listed in Article 5.3.2 of the UAE Club Licensing Regulations.
Deadline for submission of the list of licenced Clubs to AFC	The date by which each Licensor must submit to AFC the list of clubs that were granted with a Licence by the national decision-making bodies. This date is defined by AFC each year and announced to the Licensors.

Depreciable amount	<p>The cost of an asset, or other amount substituted for cost, less its residual value.</p> <p>Residual value is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful economic life.</p>
Direct costs of acquiring a player's registration	<p>Those payments to third parties for the acquisition of a player's registration, excluding any internal development or other costs. Costs to include:-</p> <ul style="list-style-type: none"> <li>a) Transfer fee payable for securing the registration;</li> <li>b) Transfer fee levy (if applicable); and</li> <li>c) Other direct costs of obtaining the player's registration (eg. payments to agents for services to the club, legal fees, compensation payments for training and development of young players in accordance with FIFA and/or domestic transfer regulations and other direct costs in connection with the transfer).</li> </ul>
Disciplinary Committee	<p>Means committee of persons, or any subcommittee thereof, formed by the UAE FA, as per their statutes, to issue disciplinary charges, to conduct disciplinary proceedings, to settle disciplinary charges, to impose disciplinary sanctions or to hear appeals thereof.</p>
Document Received Checklist	<p>An excel sheet form sent by the Licensing Administration to the Licence Applicant. This form lists down documents which had been received by the Licence Administration from the Licence Applicant within the deadline stipulated.</p>
Employee benefits	<p>All forms of consideration given by an entity in exchange for service rendered by employees.</p>

Event or condition of major economic importance	An event or condition is of major economic importance if it is considered material to the financial statements of the reporting entity and would require a different (adverse) presentation of the results of the operations, financial position and net assets of the reporting entity if it had occurred during the preceding financial year of interim period.
Financial year	The financial reporting period ending on the Statutory Closing Date, whether this is a year or not, and which is not an Interim Period. i.e. 1 July to 30 June
Football Agent	A natural person licensed by FIFA to perform football-related services for or on behalf of a Client, including any negotiation, communication relating or preparatory to the same, or other related activity, with the purpose, objective and/or intention of concluding a Transaction.
Future financial information	Information about the prospective financial effects of future events and possible actions on the entity concerned.
Going concern	The 'going concern' concept, or assumption, is an accountancy term that describes an entity which can continue operating without the significant threat of liquidation, and which can therefore continue in operation for the foreseeable future. A Reporting Entity is normally viewed as a Going Concern. It is assumed that the Reporting Entity has neither the intention nor the necessity of liquidation, ceasing trading nor seeking protection from creditors pursuant to laws or regulations.
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).
Historic financial information	Information about the financial effects of past events on the entity concerned. Historic financial information is in respect of the financial performance and position prior to the licensing decision.
Independent auditor	An auditor who is independent of the entity, in compliance with the IFAC Code of Ethics for Professional Accountants. For additional information, visit <a href="http://www.ifac.org">www.ifac.org</a> . The term 'auditor' may also be used when describing related services or assurance engagements other than audits.
Intangible asset	An identifiable non-monetary asset without physical substance, such as the registration of a player.
Interim financial statements	A financial report containing either a complete set of financial statements or a set of condensed financial statements for an interim period.
Interim period	A financial reporting period shorter than a full financial year. It does not necessarily have to be a six-month period.
International Financial Reporting Standards ("IFRS")	Standards and Interpretations adopted by the International Accounting Standards Board (IASB). They comprise: <ul style="list-style-type: none"> <li>a) International Financial Reporting Standards;</li> <li>b) International Accounting Standards; and</li> <li>c) Interpretations originated by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC).</li> </ul>

International Standards on Auditing ("ISA")	<p>The International Auditing and Assurance Standards Board ("IAASB") issues International Standards on Auditing as the standards to be applied by auditors in reporting on historical financial information. According to the IAASB, one of its objectives is 'establishing high quality auditing standards and guidance for financial statement audits that are generally accepted and recognized by investors, auditors, governments, banking regulators, securities regulators and other key stakeholders across the world'.</p> <p>For additional information about the IAASB and ISA, visit <a href="http://www.ifac.org">www.ifac.org</a></p>
International Standards on Related Services ("ISRS")	<p>The IAASB issues engagement standards that include the application of agreed-upon procedures to information. Current ISRSs are available from <a href="http://www.ifac.org">www.ifac.org</a></p>
International Standards on Review Engagements ("ISRE")	<p>The IAASB issues standards applicable to a review of historic financial information. Current ISREs are available from <a href="http://www.ifac.org">www.ifac.org</a></p>
Joint venture	<p>A contractual arrangement whereby two or more parties jointly undertake an economic activity.</p>
Licence	<p>Certificate granted by the Licensor confirming fulfillment of all minimum Club Licensing Criteria by the Licence Applicant as part of the admission procedure for entering UAE Pro League and AFC club competitions.</p>
Licence applicant	<p>Legal entity fully and solely responsible for the football team participating in national and international club competitions which applies for a Licence.</p>
Licence season	<p>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 the AFC and lasts until the relevant deadline the following year.</p>
Licensee	<p>Licence applicant which has been granted a Licence by its Licensor.</p>

Licensing administration	The staff within the Licensor that deals with club licensing matters.
Licensing Cycle	September to May
Licensor	Body mandated by (or on behalf) the AFC, that operates the club licensing system and grants the Licences in accordance with UAE Pro League Club Licensing Regulations.
List of Licensing Decisions	The list submitted by the Licensor to the AFC containing, among other things, information about the Licence Applicants that have undergone the licensing process and been granted or refused a Licence by the Licensor in the format established and communicated by the AFC General Secretariat.
Management (personnel)	Describes those responsible for the preparation and fair representation of the financial statements and other financial information. Other terms may be appropriate depending on the legal framework in the particular jurisdiction. For example, in some jurisdictions, the appropriate reference may be 'to those charged with governance '(for example, the directors).
Material or 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 financial information submitted by the Licence Applicant/Licencee. 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 a combination of both, could be the determining factor.
May	Indicates a party's discretion to do something (ie. optional, rather than mandatory)

Must or shall	Indicates an obligation to do something
National accounting practice	The accounting and reporting practices and disclosures required of entities in a particular country.
Parent	An entity that has one or more subsidiaries.
Recoverable amount	The higher of an asset's fair value less costs to sell and its value in use. 'Fair value less costs to sell' is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. 'Value in use' is the present value of future cash flows expected to be derived from the asset.
Registered member	Any legal entity according to national law and/or AFC Member Association statutes, which is member of the AFC Member Association and/or its affiliated league.
Regulations Adoption Body	The adoption of these regulations falls under the jurisdiction of the AFC.

Related party	<p>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.</p> <ul style="list-style-type: none"> <li>a) A person or a close member of that person's family is related to a reporting entity if that person: <ul style="list-style-type: none"> <li>i. has control or joint control of the reporting entity;</li> <li>ii. has significant influence over the reporting entity; or</li> <li>iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.</li> </ul> </li> <li>b) An entity is related to a reporting entity if any of the following conditions applies: <ul style="list-style-type: none"> <li>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).</li> <li>ii. The entity and the reporting entity are controlled, jointly controlled, or significantly influenced by the same party.</li> <li>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).</li> <li>iv. A party has significant influence over the other entity.</li> <li>v. Both entities are joint ventures of the same third party.</li> <li>vi. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.</li> <li>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.</li> </ul> </li> </ul>
---------------	---



	<p>viii. The entity is controlled or jointly controlled by a person identified in a).</p> <p>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).</p> <p>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.</p>
Reporting entity/entities	<p>The registered member and/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 club licensing purposes. Please see Article 4.2.2 of the UAE Club Licensing Regulations for further information.</p>
Review	<p>The objective of an engagement to review financial information is to enable an auditor to express a conclusion whether, on the basis of the review, anything has come to the auditor's attention that causes the auditor to believe that the financial information is not prepared, in all material respects, in accordance with an identified financial reporting framework.</p> <p>A review, in contrast to an audit, is not designed to obtain reasonable assurance that the financial information is free from material misstatement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review may bring significant matters affecting the financial information to the auditor's attention but it does not provide the evidence that would be required for an audit.</p>

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 had occurred prior to the submission of the licensing documentation.
Significant influence	<p>The power to participate in the financial, operating and/or sporting policies of an entity whether by means of share ownership, voting power, constitutional documents (e.g. statutes), agreement and/or otherwise, but without having Control over that entity either on its own or as part of a Joint Venture.</p> <p>Examples include a party:</p> <ol style="list-style-type: none"> <li>holding, directly or indirectly, between 20% and 50% of the shareholders' or members' voting rights in an entity;</li> <li>having the ability to influence the appointment or removal of members charged with the governance of an entity (e.g. any administrative, management or supervisory bodies of an entity);</li> <li>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; and/or</li> <li>providing in one reporting period - either alone or in aggregate with parties under the same ultimate controlling party or government (excluding the AFC, its own AFC Member Association and any affiliated league) - 30% or more of the entity's total revenue for that reporting period.</li> </ol>
Stadium	<p>Any stadium at which a match is played. For the avoidance of doubt, this includes:</p> <ol style="list-style-type: none"> <li>the entire premises (to the extent that a valid accreditation card or ticket is required in order to gain access) of a stadium facility inside the outer stadium perimeter fence and (on matchdays and any day on which</li> </ol>

	<p>any official training takes place within the stadium) the aerial space above such stadium premises;</p> <p>(ii) parking facilities;</p> <p>(iii) VIP and hospitality areas (including any hospitality village);</p> <p>(iv) concession areas;</p> <p>(v) commercial display areas;</p> <p>(vi) buildings;</p> <p>(vii) the field of play;</p> <p>(viii) the media tribune;</p> <p>(ix) any broadcast compound;</p> <p>(x) the stadium media centre;</p> <p>(xi) the press conference room;</p> <p>(xii) the mixed zone;</p> <p>(xiii) any stands; and</p> <p>(xiv) any areas beneath the stands.</p>
Statutory closing date	The annual accounting reference date of the reporting entity.
Subsequent events	Events or conditions occurring after the licensing decision.
Subsidiary	An entity, including an unincorporated entity such as a partnership that is controlled by another entity (known as the parent).

Supplementary information	<p>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.</p> <p>The 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.</p>
Training facilities	<p>The venue(s) at which a Licence Applicant's registered players undertake football training and/or youth development activities on a regular basis.</p>
UAE Club Licensing Financial Handbook (Handbook)	<p>The guidelines provide the Licence Applicants further understanding into the reasons behind the financial criteria as well as a standard interpretation of the criteria and assessment process, mandatory and minimum requirements.</p>
UAE Club Licensing Regulations (Regulations)	<p>The working document which describes the national club licensing system in the UAE. It includes all minimum requirements of the AFC club licensing system as well as any specific national particularities and objectives.</p>
UAE FA	<p>United Arab Emirates Football Association</p>



UAE Pro League	The league governing body of the UAE professional league
UAE Pro League Club Competitions or UAE Pro League Competitions	Pro League and/or League Cup

## INTRODUCTION

This “UAE Pro League Club Licensing Financial Handbook (hereinafter known as the “Financial Handbook”) is the working document which describes the UAE Pro League Club Licensing Regulations. The guidelines of the UAE Pro League Club Licensing Financial Handbook aims to provide the Licensor and Licence Applicants with further understanding into the reasons behind the criteria as well as a standard interpretation of the criteria and assessment process stated in the UAE Pro League Club Licensing Regulations. This Financial Handbook should be read together with the Chapter 20 of the UAE Pro League Club Licensing Regulations.

This UAE Pro League Club Licensing Financial Handbook focuses on the criteria listed in the UAE Pro League Club Licensing Regulations.

Note: The contents of this UAE Pro League Club Licensing Financial Handbook are purely informative in nature and are provided without any prejudice to any rights of the UAE Pro League, or any further actions or decisions made by the UAE Pro League. Stakeholders are encouraged to refer to the UAE Pro League Club Licensing Regulations for more detailed information. In the event of any discrepancy between this document and the UAE Pro League Club Licensing Regulations, the UAE Pro League Club Licensing Regulations shall prevail. For the avoidance of doubt, the UAE Pro League Club Licensing Regulations shall be authoritative.

In the event of any discrepancies, misstatement, omission or error appearing between the Arabic version and the English version of this Financial Handbook, this English version shall prevail.

# 1 FINANCIAL CRITERIA

## 1.1 OVERVIEW OF THE FINANCIAL CHAPTER

The financial criteria set out in Chapter 10 of the UAE Pro League Club Licensing Regulations and the associated guidance notes, documents and templates contained in the appendices herewith, in some respects, draw from the content of certain International Financial Reporting Standards (IFRS) and standards set by The International Auditing and Assurance Standard Board (IAASB).

All finance related documents that is submitted must be prepared on the letterhead of the Licence Applicant and includes official stamp and signatures of The Licence Applicant's Finance Director/Officer and the Licence Applicant's CEO.

### 1.1.1 ACHIEVING THE OBJECTIVES

The implementation of the financial club licensing system and the fulfillment of the criteria are directed to achievement of the following objectives:

- a) Improve the economics and financial capability of the clubs;
- b) Increase clubs' transparency and credibility;
- c) Place the necessary importance on the protection of creditors and employees;
- d) Safeguard the continuity of international competitions for one season; and
- e) Monitor financial fair play in the UAE Pro League and AFC Club Competitions.

In respect of each criterion, each Licence Applicant must submit certain financial information. Best practice, or statutory, requirements and procedures are likely to mean that much of the information specified by the criteria is required to be prepared by the Licence Applicant in any case in many countries. In turn, some form of assessment procedures must be carried out by an independent auditor and/or the Licensor in respect of the financial information.

There are three different types of assessment that an independent auditor might be required to undertake:

- a) Audit;
- b) Review; or

c) Agreed-upon procedures.

The term auditor is used throughout this Handbook when describing the individual or entity that will be performing the auditing, review or agreed-upon procedures. In respect of any work performed by an auditor for a Licence Applicant, unless national legislation prescribes otherwise, the auditor's contractual and legal responsibilities will be to the reporting entity they have engaged with.

When applicable, the Licensor shall read and consider the content of the auditor's report and make the decision about whether each criterion has been met and what further information, if any, is required. In respect of certain criteria, the Licensor will undertake Assessment Procedures instead of, or in addition to, the work performed by an auditor. In making his/her decision, the Licensor is encouraged to apply common sense ("cum grano salis") especially when considering insignificant differences to the minimum requirements. The minimum requirements of the financial criteria are set out in the core part of this Handbook. For implementation within the UAE Pro League Club Licensing Regulations, the Licensor may develop additional criteria, information requirements and Assessment Procedures. The guidance notes, documents and templates contained in the appendices herewith, provide supporting guidance and tools to help clubs comply with the requirements.

### **1.1.2 HISTORIC FINANCIAL INFORMATION**

In relation to historic financial information, the link between the objectives, the financial criteria, the information requirements and the assessment procedures is summarised in Diagram I. The criteria relating to the historic financial information about a Licence Applicant's financial performance and position are addressed individually in Articles 1.2 to 1.6.

### **1.1.3 FUTURE FINANCIAL INFORMATION AND SUBSEQUENT INFORMATION**

In relation to future financial information and subsequent information, the links between the objectives, the financial criteria, the indicators, the information requirements and the assessment procedures are summarised in the Diagram II. The criterion in respect of



future financial information is addressed in Article 1.7. The criteria for licencees in respect of subsequent information (after the licensing decision has been made) are addressed in Articles 1.8 to 1.9.

#### **1.1.4 CONFIDENTIALITY OF INFORMATION AND COMMUNICATION OF THE LICENSING DECISION**

All documents and information received by the Licensor will be handled appropriately to ensure that confidentiality of information is respected.

Regardless of whether or not financial information in relation to a Licence Applicant is provided to the Licensor, publicly listed entities have continuing obligations to their stock exchanges to protect confidential information and to announce 'to the financial market' unpublished price sensitive information without delay. Therefore, in respect of price sensitive information matters, the act, itself, of their provision of confidential financial information to the Licensor should not create any additional burden on the Licence Applicants.

The real issue is confidentiality of information, not price sensitivity. That is, the Management of listed entities may want to be satisfied that:

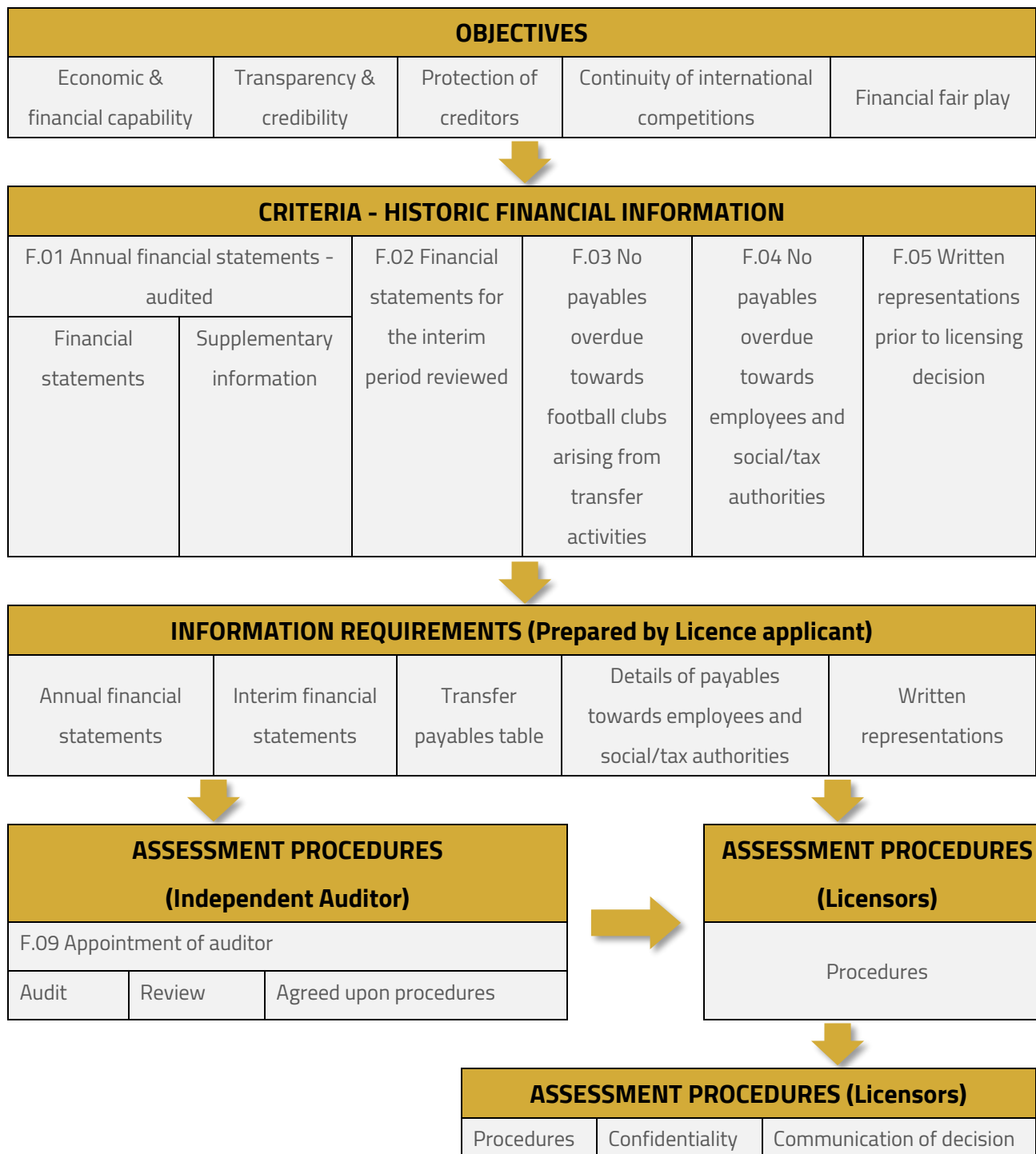
- a) Information they provide to the Licensor (or other bodies operating within the club licensing system) will be handled appropriately; and
- b) The licensing process will be handled confidentially and the decision itself, to grant a Licence or not, will be announced appropriately.

In respect of the latter point, because the licensing decision itself may be price sensitive, the Licensor will ensure that the announcement of the licensing decision is handled appropriately and in co-ordination with Licence Applicants which are publicly listed entities.

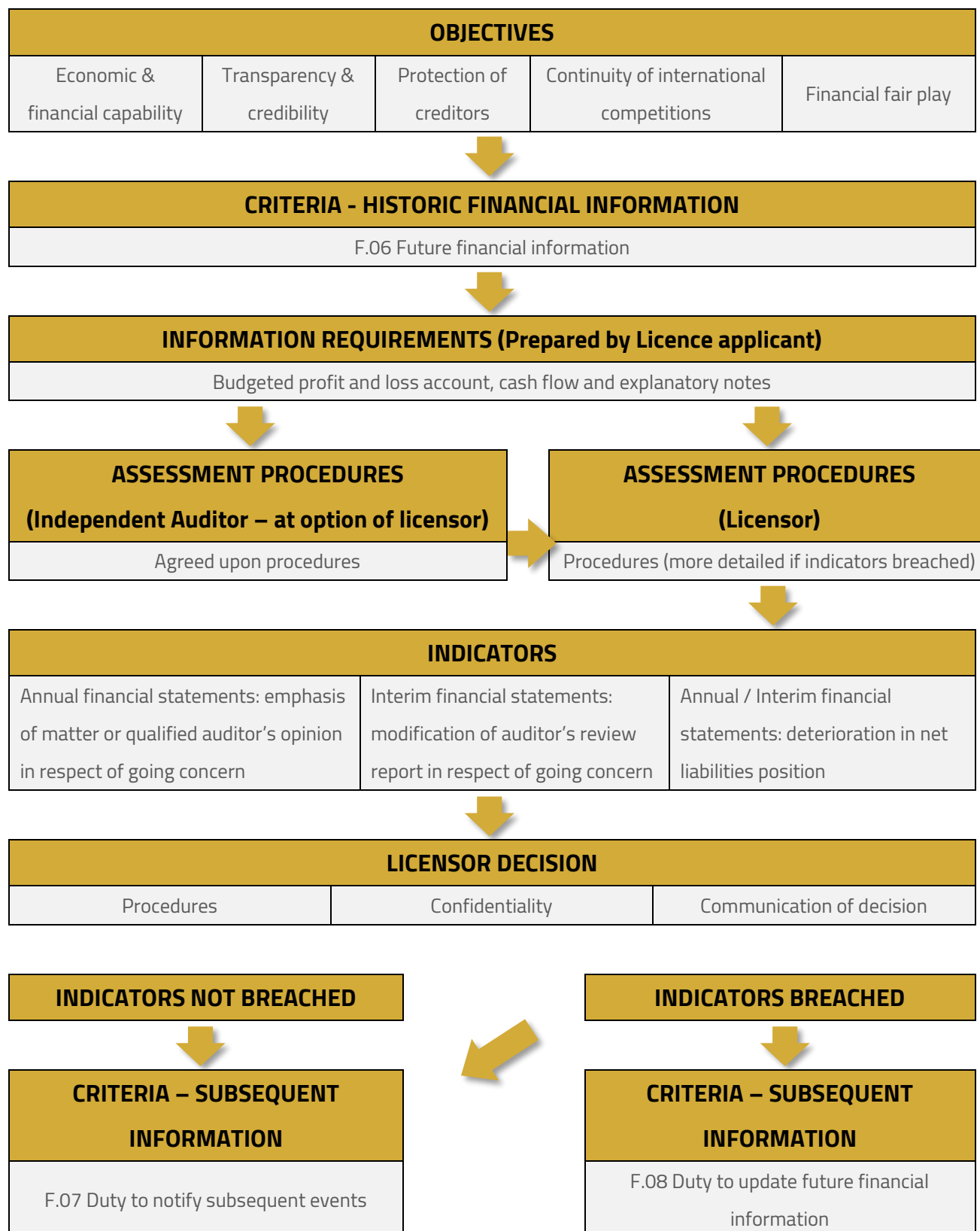
The AFC Club Licensing Quality Standard provides Licensors with a Management framework in order to carry out the Club Licensing System and provides a Core Process, defining the specific steps that the Licensor has to follow. This can help satisfy the Management of Licence Applicants that appropriate procedures have been developed for

the handling of confidential financial information and the handling of the announcement of the licensing decision by the Licensor (or other bodies operating within the Club Licensing System).

**Diagram I: Overview of the Club Licensing System in respect of Historic Financial Information**



**Diagram II: Overview of the Club Licensing System in respect of Future Financial Information and subsequent information**



## 1.2 CRITERION F.01: ANNUAL FINANCIAL STATEMENTS

Unless mentioned specifically, the requirements in Articles 1.2.1 to 1.2.4 are mandatory and constitute the minimum requirements for the Licence Applicant in order to fulfill criterion F.01.

### 1.2.1 THE CRITERION

No.	Description	Grade
<b>F.01</b>	<b>ANNUAL FINANCIAL STATEMENTS – AUDITED</b>	<b>A</b>
<p>Regardless of the legal structure of the Licence Applicant, annual financial statements based on the local legislation for incorporated companies shall be prepared and audited by independent auditors.</p> <p>The annual financial statements shall meet the minimum disclosure requirements and accounting principles defined by this Financial Handbook.</p> <p><b>Alternative 1:</b></p> <p>If the audited annual financial statements meet the minimum disclosure requirements and accounting principles defined by this Financial Handbook, then no further supplementary information has to be provided.</p> <p><b>Alternative 2:</b></p> <p>If the audited annual financial statements do not meet the minimum disclosure requirements and accounting principles defined by this Financial Handbook, then supplementary information must be prepared by the Licence Applicant and assessed by the auditor.</p> <p><b>Documents and information to be submitted</b> (also see Article 1.2.3 below)</p> <ol style="list-style-type: none"> <li>Audited annual financial statements for the accounting period of 1 July 2024 till 30 June 2025, as stated in Article 1.2.2 below, including: <ol style="list-style-type: none"> <li>Balance Sheet (see Appendix 1a);</li> <li>Profit and Loss Statement (see Appendix 1b);</li> <li>Cash Flow Statement (see Appendix 1c);</li> <li>Notes, comprising a summary of significant Accounting Policies and other explanatory notes to Financial Statements;</li> </ol> </li> <li>Financial Review by Management (see Appendix 1f and Article 1.2.3.9 below);</li> <li>A declaration for reporting entity/entities and reporting perimeter. (see Appendix 1e)</li> </ol>		

- iv. Player identification table (see Article 1.2.3.11 below) according to format in Appendix 1d.

In case auditor's report contain, in respect of going concern, either an emphasis of matter or a qualified 'except for' opinion, the Licence Applicant should also submit

- v. A subsequent audit opinion without going concern emphasis of matter or qualification;
- vi. Additional documentary evidence demonstration the Licence Applicant's ability to continue as a going concern until at least the end of the season to be licenced.
- vii. The below input instructions must be followed when entering the data for the breakdown of income and expenses in USD currency into Club Licensing Administration System (CLAS):
  - a. Input all amounts in USD currency only, converted at the financial year end exchange rate.
  - b. Do not input amounts in local currency.
  - c. Input NUMERICS only, except for Breakdown of "Other Income" and "Other Expenses".
  - d. Input WHOLE numbers only, no decimals (.); no separator (,) except for Exchange Rate field.
  - e. Do not input any cents, round off to put whole numbers
  - f. All inputs must agree with the Audited Financial Statements.

## 1.2.2 REPORTING PERIOD

1 July 2024 to 30 June 2025

## 1.2.3 MINIMUM INFORMATION AND DOCUMENTS TO BE SUBMITTED BY THE LICENCE APPLICANT

### 1.2.3.1 INTRODUCTION

It is the responsibility of the Licence Applicant to determine the reporting entity (or combination of entities) in respect of which financial information is required to be

provided (cf. Articles 13.6 to 13.9, and Article 20.1 of the UAE Pro League Club Licensing Regulations). In turn, the Licensor will assess whether, in respect of each Licence Applicant, the selected reporting entity is appropriate for club licensing purposes.

Licence applicants must prepare annual financial statements based on the accounting standards required by the financial reporting framework of IFRS.

For the purpose of club licensing requirements, the audited annual financial statements must consist of:

- a) A balance sheet;
- b) A profit and loss account;
- c) A cash flow statement;
- d) Notes, comprising a summary of significant accounting policies and other explanatory notes; and
- e) A financial review by management.

The financial statements must be prepared based on certain underlying principles, including:

- Fair presentation and compliance with national accounting practice;
- Consistency of presentation;
- Accrual basis for accounting;
- Each material class of items shall be presented separately in the financial statements; and
- Assets and liabilities, and income and expenses, shall not be offset unless required or permitted by national accounting practice.

The 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 neither the intention nor the necessity to go into liquidation, cease trading or seek protection from creditors pursuant to laws or regulations.

Further commentary about underlying financial reporting principles is contained within Document I of the AFC Club Licensing Financial Handbook Reference Library.

Each component of the annual financial statements shall be identified clearly. In addition, the following information shall 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 from the preceding statutory closing date;
- b) whether the financial information covers the individual Licence Applicant or a group of entities or some other combination of entities and to describe the structure and composition of any such group or combination;
- c) the statutory closing date and the period covered by the financial information (for both current and comparative information); and
- d) the presentation currency.

The annual financial statements must be approved by the highest decision-making body of the Licence Applicant and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the reporting entity.

### 1.2.3.2 CONSOLIDATION REQUIREMENTS

If the Licence Applicant has control of any subsidiary, then the consolidated financial statements must be prepared and submitted to the Licensor as if the entities included in the reporting perimeter (as defined in criteria L.08) were a single company.

An entity may be excluded from the reporting perimeter only if:

- a) its activities are entirely unrelated to the football activities defined in Article 4.2.2.3 of UAE Pro League Club Licensing Regulations and/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 Article 4.2.2.3. i. and ii. of UAE Pro League Club Licensing Regulations; or
- c) the football activities it performs are already entirely reflected in the financial statements of one of the entities included in the reporting perimeter.

If an entity is excluded from the reporting perimeter, the management of the Licence Applicant must justify its decision to the Licensor in detail.

If the Licence Applicant is controlled by a parent who has been included in the reporting perimeter, consolidated financial statements must be prepared and submitted to the Licensor as if the entities included in the reporting perimeter were a single company.

If the Licence Applicant is a football company as per Article 4.2.1.1 b) of the UAE Pro League Club Licensing Regulations, it must provide the Licensor with the financial information of the football company and the registered member (e.g. combined and/or consolidated financial statements as if they were a single company).

Note: Combined financials must include elimination entries similar to consolidation.

### **1.2.3.3 MINIMUM REQUIREMENTS FOR THE CONTENT OF ANNUAL FINANCIAL STATEMENTS**

Notwithstanding the requirements of IFRS, the financial criteria do require Licence Applicants to present a specific minimum level of historic financial information to the Licensor. This Financial Handbook sets out the minimum requirements for the content of annual financial information. Other than in respect of player accounting matters, this Financial Handbook does not prescribe the basis for recognition and measurement of transactions and other events; as such matters are addressed by IFRS.

The audited annual financial statements must meet the minimum requirements for content and accounting summarised in Articles 1.2.3.5 to 1.2.3.11 below. In particular, minimum information as illustrated in Appendices 1a to 1d of this Financial Handbook must be included in the documents submitted by the Licence Applicant. In addition, Document II of the AFC Club Licensing Financial Handbook Reference Library sets out a model annual financial statements (and commentary) that illustrate typical disclosures to meet these minimum requirements.

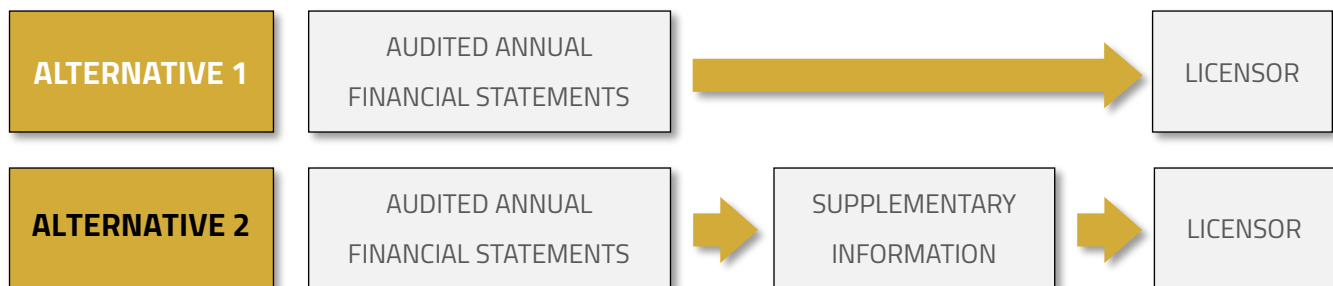
If the audited annual financial statements meet the minimum disclosure requirements and accounting principles defined by this Financial Handbook, then no further supplementary information has to be provided to the Licensor (i.e. alternative 1 in Diagram III below), unless the Licensor requests otherwise.



#### 1.2.3.4 SUPPLEMENTARY INFORMATION

If the minimum requirements for the content and accounting are not met in the audited annual financial statements, then the Licence Applicant must prepare supplementary information in order to meet the minimum information requirements (i.e. alternative 2 in the diagram below). Together, the audited annual financial statements and the supplementary information comprise the annual financial information that is submitted to the Licensor.

**Diagram III: The acceptable alternatives for annual financial information submitted to the Licensor**



The content and presentation of the supplementary information, if required at all, will vary between Licence Applicants depending on the amount of information already disclosed in the separate audited annual financial statements. For example, the supplementary information document might simply include a certain disclosure note, or notes, not otherwise included in the audited financial statements. For some Licence Applicants, the supplementary information document might be more extensive and might have to include a full balance sheet, profit and loss account, cash flow statement and associated notes if these are not required by the relevant national law for incorporated companies or if, for example, there is a requirement for the Licence Applicant to restate figures as set out in Article 1.2.3.11 (Accounting requirements for player registration costs).

The supplementary information must be prepared on a basis of accounting, and accounting policies, consistent with the annual 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 to, or reconcile to, the relevant disclosures in the annual financial statements.

### 1.2.3.5 BALANCE SHEET

The minimum requirements for the content in respect of balance sheet items at the statutory closing date (and comparative figures in respect of the prior statutory closing date) are stated below. These minimum requirements are also illustrated in Appendix 1a.

#### **Current assets**

- a) cash and cash equivalents;
- b) accounts receivable from player transfers;
- c) accounts receivable from group entities and related parties<sup>(3)</sup>;
- d) other current assets;
- e) inventories;

#### **Non current assets**

- f) tangible fixed assets<sup>(1)</sup>;
- g) intangible assets – players<sup>(1)</sup>;
- h) intangible assets – others<sup>(1)</sup>;
- i) investments<sup>(2)</sup>;
- j) accounts receivable from player transfers;
- k) accounts receivable from group entities and related parties<sup>(3)</sup>;
- l) other non-current assets;

#### **Current liabilities**

- m) bank overdrafts and loans;
- n) accounts payable relating to player transfers;
- o) accounts payable to group entities and related parties<sup>(3)</sup>;
- p) accounts payable to employees;
- q) accounts payable to players;
- r) accounts payable – other;
- s) tax liabilities;

- t) other current liabilities;
- u) short term provisions<sup>(4)</sup>;

#### **Non-current liabilities**

- v) bank and other loans;
- w) accounts payable relating to player transfers;
- x) accounts payable to group entities and related parties<sup>(3)</sup>;
- y) accounts payable relating to social / tax authorities;
- z) other non-current liabilities;
- aa) other tax liabilities;
- bb) long term provisions<sup>(4)</sup>;

#### **Net assets/liabilities**

- cc) net assets/liabilities<sup>(5)</sup>;

#### **Equity**

- dd) treasury shares;
- ee) issued capital and reserves.<sup>(6)</sup>

Management may consider that line items (a) to (bb) above are best presented on the face of the balance sheet and the additional information (described below) in notes.

The minimum information requirements in respect of certain balance sheet items shall also include the following:

- 1) In respect of each of tangible fixed assets and intangible assets, a reconciliation of the carrying amount at the beginning and end of the period, showing additions, disposals, revaluations, impairment, depreciation/amortisation and any other changes.
- 2) Investments shall include investments in subsidiaries, jointly controlled entities and associates. In respect of investments in subsidiaries, jointly controlled entities and associates, as a minimum, the following information must be disclosed for each investment:
  - i. The 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. A description of the method used to account for the investments.
- 3) Sub-classification of the total balance receivable to disclose separately amounts receivable from group entities and amounts receivable from other related parties; and, sub-classification of the total balance payable to disclose separately amounts payable to group entities and amounts payable to other related parties.
  - 4) For each class of provision, disclose the carrying amount at the beginning and end of the period, the amount utilised and any amount released, or credited, in the period.
  - 5) The net assets/liabilities figure, being the aggregate of total assets less total liabilities, is used to determine whether or not the Licence Applicant is in breach of indicator IND.03 as described in Article 1.7.4.2.
  - 6) Sub-classification of the total balance of issued capital and reserves to disclose separately share capital, share premium, other reserves and retained earnings.

### 1.2.3.6 PROFIT AND LOSS ACCOUNT

The minimum requirements for the content in respect of profit and loss account (sometimes referred to as an income statement) items for the financial year (and comparative figures in respect of the prior financial year) are stated below. These minimum requirements are also illustrated in the model financial statements in Appendix 1b.

#### **Revenue**

- a) gate receipts;
- b) sponsorship and advertising;
- c) broadcasting rights;
- d) revenue distributed from UAE FA and UAE Pro League, including solidarity payments and prize money;
- e) subsidy from government and its agencies;
- f) merchandising;
- g) transfer fee income;
- h) membership fee;

- i) rental income from stadia / facilities;
- j) other operating income;

**Expenses**

- k) cost of sales/materials;
- l) compensation of players (first team);
- m) compensation of coaches (first team);
- n) compensation of players (U21 team);
- o) compensation of coaches (U21 team);
- p) compensation of players (academy youth teams);
- q) compensation of coaches (academy youth teams);
- r) compensation of employees (except players and coaches);
- s) operational expenses of first team (training camps, logistics);
- t) operational expenses of U21 team (training camps, logistics);
- u) operational expenses of academy youth teams (training camps, logistics);
- v) advertising / promotion / marketing expenses;
- w) rental / maintenance fees of stadium / training centre;
- x) administrative costs;
- y) depreciation and amortisation <sup>(1)</sup>;
- z) impairment of fixed assets <sup>(2)</sup>;
- aa) agents' fees
- bb) other operating expenses;

**Other**

- cc) profit/loss on disposal of assets<sup>(3)</sup>
- dd) profit/loss on disposal of intangible assets – players;
- ee) finance income;
- ff) finance costs;
- gg) tax expense;
- hh) profit or loss after taxation.

The minimum information requirements in respect of certain profit and loss account items also include the following:

- 1) Separate disclosure required of depreciation of tangible fixed assets, amortization of player registration costs and amortisation of other intangible assets.
- 2) Separate disclosure required of impairment of player registration costs and impairment of other tangible or intangible fixed assets.
- 3) Separate disclosure required of profit or loss from disposal of player registrations and profit or loss from disposal of other tangible or intangible fixed assets.

### 1.2.3.7 CASH FLOW STATEMENT

The cash flow statement must report cash flows for the financial year (and comparatives for the prior financial year) classified separately by operating, investing and financing activities, in a manner which management consider most appropriate. The cash flow statement must be presented using the indirect method also the direct method may be used along with it.

The components of cash and cash equivalents shall be disclosed and there shall be presented a reconciliation of the amounts in the cash flow statement with the equivalent items reported in the balance sheet. These minimum requirements are also illustrated in the model financial statements in Appendix 1c.

### 1.2.3.8 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 balance sheet, profit and loss account and cash flow statement shall 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 fixed assets

Each class of tangible fixed asset must be disclosed separately (e.g. property, stadium and equipment). The following information must be disclosed for each class of tangible fixed 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, impairment losses recognized in the profit and loss account during the period (if any), impairment losses reversed in the profit and loss account during the period (if any) and depreciation.

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

c) Intangible fixed assets

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

The following information must be disclosed for each class of intangible fixed 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, decreases during the period resulting from impairment losses recognized in the profit and loss account during the period (if any) and amortization.

For further information and guidance in relation to accounting for player registrations, please refer to Article 1.2.3.11.

d) Pledged assets and assets under reservation of title

The existence and amounts of restrictions on title, and property, stadium and equipment pledged as security for liabilities or guarantees, must be disclosed.

The existence and carrying amounts of intangible assets whose title is restricted and the carrying amount of intangible assets pledged as security for liabilities must be disclosed.

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 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;
  - ii. Any pledged collateral and annual interest rates; and
  - iii. 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 utilized and any amount released, or credited, in the period must be disclosed.
- h) Issued capital and reserves

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

- i. Share capital

In relation to share capital issued during the current year, 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. Other reserves

Where items of property, stadium and equipment are stated at revalued amount, the revaluation surplus, indicating the change for the period and any restrictions on the distribution of the balance to shareholders, must be disclosed.

iii. Retained earnings

The balance of retained earnings (i.e. accumulated profit or loss) at the beginning of the reporting period and at the balance sheet date, and the changes during the reporting period, must be disclosed.

i) Controlling party

When the reporting entity is controlled by another party, there must be disclosure of the related party relationship and the name of that party and, if different, that of the ultimate controlling party. If the controlling party or ultimate controlling party of the reporting entity is not known, that fact shall be disclosed. This information shall be disclosed irrespective of whether any transactions have taken place between the controlling parties and the reporting entity.

j) Related party transactions

If there have been transactions between related parties during the period, the reporting entity shall disclose the nature of the related party relationship, as well as information about the transactions during the period and outstanding balances at the period end, necessary for an understanding of the potential effect of the relationship on the financial statements. At a minimum, disclosures must include:

- i. the amount and nature of the transactions;
- ii. the amount of outstanding balances 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 venture;
- key management personnel of the entity or its parents; and
- other related parties

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

k) Contingent liabilities

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

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

l) Events after the balance sheet date

Material non-adjusting events after the balance sheet date must be disclosed (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 payment;
- 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 significant;
  - vi. Transactions relating to property – for example, in relation to the club's stadium.
- m) Other disclosure
- i. Agents' fees  
The total amount of payments made to or for the benefit of an agent must be disclosed.
  - ii. Players' economic rights (or similar)  
For any player for whom the economic rights or similar are not fully owned by the Licence Applicant, the name of the player and the percentage of economic rights or similar held by the Licence Applicant at the beginning of the period (or on acquisition of the registration) and at the end of the period must be disclosed.
  - iii. 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.
  - iv. Miscellaneous  
Any additional information or disclosure that is not presented on the face of the balance sheet, profit and loss statement 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.

Additionally, please refer to Guidance Note 1 of the AFC Club Licensing Financial Handbook.

#### 1.2.3.9 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. At a minimum, the review must include the list of Board members and the year-end position of the Licence Applicant. A sample

of the financial review is as set out in Document II of the AFC Club Licensing Financial Handbook Reference Library.

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

#### **1.2.3.10 ACCOUNTING REQUIREMENTS FOR PLAYER REGISTRATION COSTS**

Notwithstanding that each Licence Applicant has to prepare audited annual financial statements according to the IFRS, the Financial Handbook does include a specific accounting requirement in relation to player registration costs carried as intangible fixed assets.

Player transfers are a particular feature of the football industry. The accounting treatment adopted by Licence Applicants in respect of player registration costs can have a significant impact on the reported financial results and financial position.

Therefore, AFC consider that certain minimum accounting requirements must be applied by Licence Applicants for the purpose of club licensing and to have a common approach within the Asian football family.

The Licence Applicants must ensure that costs relating to the acquisition of a player are capitalized, and not treated as an expense.

Additionally, the minimum accounting requirements for player registration costs are described as follows:

- a) In respect of each individual player's registration, the depreciable amount must be allocated on a systematic basis over its useful life. This is achieved by the systematic allocation of the cost of the asset as an expense over the period of the player's contract.
- b) Only direct costs of acquiring a player's registration can be capitalised. For accounting purposes, the carrying value of an individual player must not be revalued upwards, even though management may believe market value is higher than carrying value. In addition, whilst it is acknowledged that a Licence Applicant may be able to generate some value from the use and/or transfer of local trained players, for accounting

purposes, costs relating to an applicant's own youth sector must not be included in the balance sheet – as only the cost of players purchased is to be capitalised.

- c) Amortisation must begin on the start date of the contract. Amortisation shall cease at the earlier of the date that the asset is classified as held for sale or the date that the asset is derecognised (i.e. the registration is transferred to another club), whichever comes first.

In addition, the following principle must be applied: all capitalised player values must be reviewed individually each year by management for impairment. If the recoverable amount for an individual player is lower than the carrying amount on the balance sheet, the carrying amount must be adjusted to the recoverable amount and the adjustment charged to the profit and loss account as an impairment cost.

The minimum accounting requirements for the disposal of a player's registration are as follows:

- a) The profit/(loss) on the disposal of a player's registration to another club to be recognized in the profit and loss account is the difference between the disposal proceeds and the residual carrying value of the player's registration in the balance sheet as at the date of the transfer.
- b) Any profit in respect of a player for whom the Licence Applicant retains the registration must not be recognized in the profit and loss account. For the avoidance of doubt, any profit arising from the disposal of economic rights or similar of a player to any other party must be deferred, and a profit can only be recognized in the profit and loss account following the permanent transfer of a player's registration to another club.

The Licence Applicant must prepare supplementary information (to be submitted to the Licensor) if the accounting requirements described in this sub-section are not met by the disclosures and accounting treatment in the audited annual financial statements. The supplementary information must include a restated balance sheet, profit and loss account and any associated notes to meet the requirements set out above.

There must also be included a note (or notes) reconciling the results and financial position shown in the supplementary information document to those shown in the audited financial statements (that were prepared under the national accounting practice). The

restated financial information must be assessed by the auditor by way of agreed-upon procedures.

#### 1.2.3.11 REQUIREMENT FOR PREPARATION OF A PLAYER IDENTIFICATION TABLE

Due to the specificity and, for many clubs, significance of player acquisition costs, Licence Applicants must prepare a player identification table. The player identification table is also a tool that can be used by management (and auditors) to reconcile the balance sheet and profit and loss account figures relating to player registrations to the underlying detail, and for annual impairment considerations.

The player identification table must be provided to the auditor and the Licensor. An illustration of a player identification table is included in Appendix 1d.

The minimum information for the content of the player identification table in respect of each relevant player's registration held during the period is as follows:

- a) Name and date of birth;
- b) Start and end date of contract;
- c) The direct costs of acquiring the player's registration;
- d) Accumulated amortisation brought forward and as at the end of the period;
- e) Expense/amortisation in the period;
- f) Impairment cost in the period;
- g) Disposals (cost and accumulated amortisation);
- h) Net book value (carrying amount); and
- i) Profit / (loss) from disposal of player's registration.

The relevant players about whom details are required in the table are all those players whose registration is held by the Licence Applicant at any time during the period and some direct acquisition cost has been incurred (at some point in time in the period or prior periods) in respect of the player(s).

The following aggregate figures in the player identification table must be reconciled to the relevant figures in the balance sheet and profit and loss account in the audited annual financial statements.

- a) The aggregate of the amortisation of player registrations in the current period as shown in the player identification table must agree/reconcile to 'Amortisation of

player registrations' (disclosed on the face of, or in a note to, the profit and loss account for the period);

- b) The aggregate of impairment provisions made in the current period as shown in the player identification table must agree/reconcile to 'Impairment of player registrations' (disclosed on the face of, or in a note to, the profit and loss account for the period);
- c) The aggregate of profit/(loss) on disposal of player registrations in the player identification table must agree/reconcile to 'Profit/(loss) from disposal of player registrations' (disclosed on the face of, or in a note to, the profit and loss account for the period);
- d) The aggregate of the net book value of players' registrations in the player identification table must agree/reconcile to the figure for 'Intangible assets – players' in the balance sheet (on the face or in the notes thereto) for the period end.

Note: For Licence Applicants who have restated player accounting figures to meet the accounting requirements of the Financial Handbook, these aggregate figures from the player identification table must agree/reconcile to the restated figures in the annual financial information.

## 1.2.4 EXTERNAL AUDITOR FOR THE ANNUAL FINANCIAL STATEMENTS

### 1.2.4.1 DETERMINATION OF THE AUDITOR

The Licence Applicant selects the independent auditor; independent in compliance with the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants.

The auditor must be a member of one of the relevant IFAC member bodies.

The Licence Applicant and the auditor enter into an engagement for the performance of the assessment procedures on the annual financial information prepared by management.

### 1.2.4.2 THE AUDITOR'S REPORT

The annual financial statements must be audited by an independent auditor (cf. Article 1.2.4.1) in accordance with the International Standards on Auditing.

The auditor's report must include a statement confirming that the audit was conducted in accordance with the International Standards on Auditing and must be submitted to the Licensor together with the annual financial statements to form a basis for the licensing decision.

The auditors' report must include a scope paragraph describing the nature of an audit, including a statement that the audit was conducted in accordance with International Standards on Auditing or in accordance with relevant national standards or practices as appropriate.

The type of audit opinion provided will have implications for the Licensor's own assessment of the Licence Applicant's audited annual financial statements.

The auditor shall review and assess the conclusions drawn from the audit evidence obtained, as the basis for the expression of an opinion on the financial statements. The auditor's report shall contain a clear written expression of opinion on the financial statements taken as a whole.

In Document VI of the AFC Club Licensing Financial Handbook Reference Library, further guidance is provided in relation to the basic elements of the auditor's report and the meaning of different types of opinion. The different types of auditor's opinion are described below, albeit there may be some variation in national requirements.

An unqualified opinion shall be expressed when the auditor concludes that the financial statements give a true and fair view (or are presented fairly, in all material respects) in accordance with the identified financial reporting framework (identifying the country of origin of the financial reporting framework when the framework used is not IFRS).

An auditor's report is considered to be modified in the following four situations:

- i. Emphasis of matter;
- ii. Qualified opinion;
- iii. Disclaimer of opinion; or
- iv. Adverse opinion.

Since the going concern assumption is a fundamental principle in the preparation of the financial statements, management of the Licence Applicant have a responsibility to assess the reporting entity's ability to continue as a going concern. In turn, the auditor's responsibility is to consider the appropriateness of management's use of the going



concern assumption in the preparation of the financial statements, and consider whether there are material uncertainties about the reporting entity's ability to continue as a going concern that need to be disclosed in the financial statements. Matters relating to going concern can give rise to modifications to the audit report (any of the items i) to iv) above) and will have implications for the Licensor's own assessment procedures (as set out in Article 1.2.5 below).

If the annual financial statements do not meet the minimum requirements for content and accounting, then the Licence Applicant must prepare some supplementary information (i.e. alternative 2 in Articles 1.2.1 and 1.2.3.4). The supplementary information must then be assessed by the auditor by way of performance of, as a minimum, agreed-upon procedures. The auditor will provide a report of the factual findings of the agreed-upon procedures.

The agreed-upon procedures shall, as a minimum, include:

- a) Reading the supplementary information prepared by management;
- b) Making enquiries of management regarding the compilation of the supplementary information; and
- c) Comparing the supplementary information to the sources from which it was obtained.

International Standard on Related Services (ISRS) 4400, 'Engagements to Perform Agreed-upon Procedures Regarding Financial Information' provides guidance on the auditor's professional responsibilities when an engagement to perform agreed-upon procedures is undertaken and on the form and content of the report that the auditor issues in connection with such an engagement.

Some further guidance is provided in Document V of the AFC Club Licensing Financial Handbook Reference Library.

### 1.2.5 ASSESSMENT PROCEDURES BY LICENSOR

The Licensor inspects the submitted information and addresses 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. If the annual financial statements meet the minimum requirements for content and

accounting defined by this Financial Handbook, then no further supplementary information has to be provided (i.e. alternative 1 in Articles 1.2.1 and 1.2.3.4), unless the Licensor requests otherwise.

As a minimum, the Licensor must perform the following assessment procedures:

- a) assess whether the selected reporting entity/entities is appropriate for club licensing purposes;
- b) assess whether all required reports, documentations and forms have been submitted;
- c) assess whether submitted reports, documentations and forms contain the minimum required information and is according to the format as per the Regulations;
- d) Assess the information (annual financial statements that may also include supplementary information) submitted to form a basis for the licensing decision.
- e) Read and consider the annual financial statements and the auditor's report thereon.
- f) 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 principles stated in these Regulations.

### 1.2.6 LICENSOR DECISION

The Licence must be refused:

- a) If the Licence Applicant have submitted annual financial statements, documents, reports and forms for the wrong reporting entity/entities;
- b) If all the required annual financial statements, documents, reports and forms (cf. Articles 1.2.1 and 1.2.3), (including any supplementary information) are not submitted to the Licensor within the defined deadline;
- c) If the submitted annual financial statements, documents, reports and forms (including any supplementary information) do not contain all the minimum information and/or is/are not in accordance with the format as required in this Regulations (cf. Article 1.2.3);
- d) If having assessed the annual financial statements, documents, reports and forms submitted, the Licensor is not convinced that the Licence Applicant is able to continue as a going concern until at least the end of the season to be licenced.

Having read the auditor's report on the annual financial statements, the Licensor must assess it according to the points below:

- e) If the auditor's report has an unqualified opinion, without any modification, this provides a satisfactory basis for granting the Licence in respect of criterion F.01.
- f) If the auditor's report has a disclaimer of opinion or an adverse opinion, the Licence must be refused, unless a subsequent audit opinion without disclaimer of opinion or an 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. The subsequent audit opinion must be submitted to the Licensor, together with the auditor's report according to the deadline that has been set for the financial criteria (cf. Chapter 5 of the UAE Pro League Club Licensing Regulations).
- g) If the auditor's report has, in respect of going concern, either an emphasis of matter or a qualified 'except for' opinion, the Licence must be refused, unless either:
  - i. a subsequent audit opinion without going concern emphasis of matter or qualification is provided, in relation to the same financial year. The subsequent audit opinion must be submitted to the Licensor, together with the auditor's report according to the deadline that has been set for the financial criteria (cf. Chapter 5 of the UAE Pro League Club Licensing Regulations); or
  - ii. additional documentary evidence demonstrating the Licence Applicant's ability to continue as a going concern until at least the end of the season to be licenced has been provided to, and assessed by, the Licensor to his satisfaction. The additional documentary evidence includes, but is not necessarily limited to, the information described in Article 1.7 (Future financial information). These additional documentary evidences must be submitted to the Licensor, together with the auditor's report according to the deadline that has been set for the financial criteria (cf. Chapter 5 of the UAE Pro League Club Licensing Regulations).

If the auditor's report in respect of the annual financial statements submitted in accordance with F.01 includes an emphasis of matter or a qualified 'except for' opinion in respect of going concern, then the Licence Applicant/licencee shall be in breach of indicator IND.01 (as set out in Article 1.7.4.2). As a result, the Licensor must undertake

more extensive assessment procedures in respect of criterion F.06 (Future financial information) and, if granted a Licence, the licensee must also comply with criterion F.08 (Duty to update future financial information).

Submission of a subsequent audit opinion and/or additional documentary evidences does not automatically mean that the Licence Applicant will be granted a Licence. The Licensor must be convinced that the subsequent audit opinion and/or additional evidences demonstrate the ability of the Licence Applicant to continue as going concern until the end of the season to be licenced.

- h) If the auditor's report has, in respect of a matter other than going concern, either an emphasis of matter or a qualified 'except for' opinion, then the Licensor must consider the implications of the modification for club licensing purposes.

The 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.

- i) If the Licence Applicant provides supplementary information (according to alternative 2 in Article 1.2.1) the Licensor shall additionally assess the auditor's report of the agreed-upon procedures in respect of the supplementary information. If the auditor's report of factual findings from the agreed-upon procedures includes reference to errors and/or exceptions found, the Licence may be refused.

Guidance Note 5 of the AFC Club Licensing Financial Handbook provides a diagrammatic summary of implications on the licensing decision of different modifications to the audit report. The Licensor may ask for additional evidence to enable the assessment of the Licence Applicant to his satisfaction.

### 1.2.7 RELEVANT APPENDICES

- **UAE Pro League Club Licensing Financial Handbook:**
  - Annual Financial Statements: Balance Sheet Template (Appendix 1a)
  - Annual Financial Statements: Profit and Loss Template (Appendix 1b)
  - Annual Financial Statements: Cash Flow Template (Appendix 1c)
  - Annual Financial Statements: Player Identification Table (Appendix 1d)

- Annual Financial Statements: Declaration template for reporting entity/entities and reporting perimeter (Appendix 1e)
- **AFC Club Licensing Financial Hanbook (Guidance Notes):**
  - GUIDANCE NOTE 1 – Minimum Disclosure Requirements for the Financial Statements
  - GUIDANCE NOTE 2 – Minimum Accounting Requirements for Player Registration Costs
  - GUIDANCE NOTE 3 – Minimum Information for the Content of the Player Identification Table
  - GUIDANCE NOTE 4 – Determination of Auditor and Assessment Procedures – Annual Financial Statements
  - GUIDANCE NOTE 5 – Annual Financial Reporting : Diagrammatic Summary of Implications on the Licensing Decision of Different Modifications to the Auditor's Report
- **AFC Club Licensing Financial Hanbook Reference Library:**

Relevant Documents:

  - Annual Financial Reporting: Overall Considerations and Underlying Principles (Document I)
  - Annual Financial Reporting: Model Financial Statements and Commentary (Document II)
  - Promoted Applicants: Guidance on Relaxation of Disclosure Requirements (Document III)
  - Annual Financial Reporting: Template Player Identification Table (Document IV)
  - Annual Financial Reporting: Illustrative Form of Agreed-Upon Procedures on Supplementary Information (Document V)
  - Annual Financial Reporting: Commentary Regarding Audit Reports – Contents and Different Forms of Opinion (Document VI)

Relevant Templates:

  - Annual Financial Reporting: Management Review / Directors' Report (Template 1)
  - Annual Financial Reporting: Model Financial Statements – Balance Sheet (Template 2)

- Annual Financial Reporting: Model Financial Statements – Profit & Loss Statement (Template 3)
- Annual Financial Reporting: Model Financial Statements – Cashflow Statement Direct Method (Template 4)
- Annual Financial Reporting: Model Financial Statements – Cashflow Statement Indirect Method (Template 5)
- Annual Financial Reporting: Notes to Financial Statements (Template 6)
- Annual Financial Reporting: Template Player Identification Table (Template 7)
- Annual Financial Reporting: Illustrative Report of Factual Findings (Template 8)

### 1.3 CRITERION F.02: INTERIM FINANCIAL STATEMENTS

Requirements in Articles 1.3.1 to 1.3.4 are mandatory and constitute the minimum requirements for the Licence Applicant in order to fulfill criterion F.02.

#### 1.3.1 THE CRITERION

No.	Description	Grade
F.02	<b>FINANCIAL STATEMENTS FOR THE INTERIM PERIOD – REVIEWED or AUDITED</b>	<b>A</b>
<p>The Licence Applicant must prepare and submit additional financial statements (reviewed or audited by an external auditor) covering an interim period, starting from the day immediately after the statutory closing date and ends on 31 December the year preceding the season to be licenced (i.e. 1 July to 31 December). The interim financial statements shall meet the minimum disclosure requirements and accounting principles defined by this Financial Handbook (applicable for UAE Pro League competitions “c.f article 14.12 of UAE Pro League Club Licensing Regulation”).</p>		
<p><b>Documents to be submitted:</b> see also Article 1.3.3 below</p> <ul style="list-style-type: none"> <li>i. Reviewed financial statements, including: <ul style="list-style-type: none"> <li>a. Balance Sheet (see Appendix 2a);</li> <li>b. Profit and Loss Statement (see Appendix 2b);</li> <li>c. Cash Flow Statement (see Appendix 2c);</li> <li>d. Notes, comprising a summary of significant Accounting Policies and other explanatory notes to Financial Statements;</li> </ul> </li> <li>ii. Financial Review by Management (see Appendix 2f, Articles 1.2.3.9 and 1.3.3.1 below);</li> <li>iii. A declaration for reporting entity/entities and reporting perimeter. (see Appendix 2e)</li> <li>iv. Player identification table (see Article 1.3.3.3 below) according to format in Appendix 2d.</li> </ul> <p>In case the interim report contain, in respect of going concern, either an emphasis of matter or a qualified ‘except for’ opinion, the Licence Applicant should also submit</p> <ul style="list-style-type: none"> <li>v. A subsequent audit opinion without going concern emphasis of matter or qualification;</li> <li>vi. Additional documentary evidence demonstration the Licence Applicant’s ability to continue as a going concern until at least the end of the season to be licenced.</li> </ul>		

### 1.3.2 REPORTING PERIOD

The interim financial statements shall cover the interim period beginning on the day immediately after the statutory closing date and ending 31 December, the year preceding the season to be licenced (i.e. 1 July 2025 to 31 December 2025).

### 1.3.3 MINIMUM INFORMATION AND DOCUMENTS TO BE SUBMITTED BY THE LICENCE APPLICANT

#### 1.3.3.1 INTRODUCTION TO THE CONTENT OF INTERIM FINANCIAL STATEMENTS

Licence Applicants must prepare and present interim financial statements based on the IFRS requirements and these interim financial statements must be reviewed or audited by an independent auditor.

Notwithstanding the requirements of IFRS, the financial criteria do require Licence Applicants to present a minimum level of historic financial information to the Licensor. This Financial Handbook sets out the minimum requirements for the content of interim financial reporting. The minimum requirements for the basis for recognition and measurement of transactions and other events in the interim financial statements must be as per the IFRS.

The interim financial statements provide a structured representation of the financial position and performance of the Licence Applicant.

Interim financial statements must include, as a minimum, the following components:

- a) Balance sheet;
- b) Profit and loss account;
- c) Cash flow statement; and
- d) Specific explanatory notes.

The explanatory notes must disclose any events or transactions that are material to an understanding of the current interim period.

If the Licence Applicant did not have to prepare interim financial statements for the comparable interim period of the immediately preceding financial year, comparative figures may refer to the figures from the financial statements of the immediately preceding full financial year. For example, this may be the case for a club promoted from a



lower division not having previously undergone the licensing system in its preceding financial years (see Document III of the AFC Club Licensing Reference Library).

The interim financial statements must be approved by management and this shall be evidenced by way of a brief statement and signature on behalf of the executive body of the reporting entity.

A Licence Applicant must apply the same accounting policies in its interim financial statements as are applied in its annual financial statements, except for accounting policy changes made after the date of the most recent full annual financial statements that are to be reflected in the next annual financial statements - in which case details shall be disclosed in the interim financial statements.

The frequency of a Licence Applicant's reporting should not affect the measurement of its annual results. To achieve that objective, measurements for interim reporting purposes are made on a year-to-date basis. In Document VII of the AFC Club Licensing Financial Handbook, some further guidance notes are provided about recognition and measurement principles that may be appropriate for the management to consider in preparing interim financial statements.

Each component of the interim financial statements shall be identified clearly. In addition, the following information shall be displayed prominently, and repeated where necessary within the interim 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 from the preceding statutory closing date;
- b) whether the financial information covers the individual entity or a group of entities or some other combination of entities, and to describe the structure and composition of any such group or combination;
- c) the balance sheet date and the interim period covered by the financial information; and
- d) the presentation currency.

### **1.3.3.2 INTERIM FINANCIAL STATEMENTS**

The content of the interim financial statements must include, as a minimum:

- a) In respect of the balance sheet, each of the line items listed from (a) to (bb) in Article 1.2.3.5;
- b) In respect of the profit and loss account, each of the line items listed from (a) to (ee) in Article 1.2.3.6;
- c) In respect of the cash flow statement, report cash flows during the period classified separately by operating, investing and financing activities, in a manner which management consider most appropriate, and which is not inconsistent with the classification selected under Article 1.2.3.7 for annual financial statements;
- d) Specific explanatory notes, being:
  - i. a statement that the same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements or, if those policies or methods have been changed, a description of the nature and effect of the change; and
  - ii. disclosure of any events or transactions that are material to an understanding of the current interim period.

Additional line items or notes shall be included if their omission would make the interim financial statements misleading. The minimum requirements for the explanatory notes, as set out above, are limited.

Document VIII of the AFC Club Licensing Financial Handbook provides some additional commentary about what explanatory notes may be included as good practice.

### **1.3.3.3 ACCOUNTING REQUIREMENTS FOR PLAYER REGISTRATION COSTS**

Each Licence Applicant that has to prepare interim financial statements must also comply with specific accounting requirements in relation to player registration costs carried as intangible fixed assets.

For criterion F.02, the minimum accounting requirements and the Licence Applicants to whom they apply are the same as the requirements for criterion F.01 (that relates to the annual financial statements), as described in Article 1.2.3.10.

All those Licence Applicants that capitalise costs relating to the acquisitions of players must prepare a player identification table as at the interim reporting date. The minimum information for the content of the player identification table is the same as the

requirements for criterion F.01, as described in Article 1.2.3.11. The player identification table must be provided to the Licensor.

## 1.3.4 EXTERNAL AUDITOR FOR THE INTERIM REPORT

### 1.3.4.1 DETERMINATION OF THE AUDITOR

The Licence Applicant selects the independent auditor; independent in compliance with the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants.

The auditor must be a member of one of the relevant IFAC member bodies.

The Licence Applicant then enters into an engagement for the performance of the assessment procedures on the interim financial statements prepared by management.

The auditor selected by the Licence Applicant to review the interim financial statements should be the same as the auditor selected to carry out the audit of the annual financial statements. The accumulated knowledge of an auditor from his experience of performing the audit in respect of the annual financial statements is an important requirement that assists the auditor to appropriately undertake the interim review work.

### 1.3.4.2 THE AUDITOR'S REVIEW REPORT

The interim financial statements must, as a minimum, be the subject of a review by an independent auditor in accordance with the International Standard on Review Engagements (ISRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'.

Alternatively, the Licence Applicant may choose to have the interim financial statements audited. The auditors' report must include a scope paragraph describing the nature of the audit, including a reference to compliance with the International Standards on Auditing.

A review, in contrast to an audit, is not designed to obtain reasonable assurance that the financial information is free from material misstatement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review may bring significant matters affecting the financial information to the auditor's attention, but it does not provide the evidence that would be required for an audit. As part of the work, the auditor considers

whether any significant factors identified at the previous audit have changed to such an extent as to affect the appropriateness of the going concern assumption.

An illustrative form of reporting by the independent auditor for the scope of the review of the interim financial statements is set out in Document IX of the AFC Club Licensing Financial Handbook.

Based on the work performed, the auditor shall assess whether any information obtained during the review indicates that the interim financial statements do not give a true and fair view (or are not presented fairly, in all material respects) in accordance with IFRS.

The auditor's report must:

- a) include a statement confirming that the review was conducted in accordance with the International Standard on Review Engagements (ISRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity'; and
- b) be submitted to the Licensor together with the interim financial statements to form a basis for the licensing decision.

If matters have come to the auditor's attention, the auditor shall describe, in his review report, those matters that impair a true and fair view (or a fair presentation, in all material respects) in accordance with the identified financial reporting framework.

This description shall include, unless impracticable, a quantification of the possible effect(s) on the interim financial statements, and either:

- a) Express a qualified conclusion; or
- b) When the effect of the matter is so material and pervasive to the interim financial statements that the auditor concludes that a qualified conclusion is not adequate to disclose the misleading or incomplete nature of the interim financial statements, the auditor express an adverse conclusion.

If there has been a material scope limitation, the auditor shall describe the limitation and either:

- c) Express a qualified conclusion in respect of the possible adjustments to the financial statements that might have been determined to be necessary had the limitation on the scope of the auditors work not existed; or

- d) When the possible effect of the limitation is so significant and pervasive that the auditor concludes that no level of assurance can be provided, he shall not provide any assurance and disclaim a conclusion.

In certain circumstances, an emphasis of matter paragraph may be added to a review report, without affecting the auditor's conclusion, to highlight a matter that is included as a note to the interim financial statements that more extensively discusses the matter.

Going concern is a fundamental accounting concept. Whilst management may not consider going concern as fully at the interim stage as they would for annual financial statements, they must undertake a review of their previous work performed in respect of the previous statutory closing date. They shall look at the position in respect of the previous statutory closing date to see whether any of the significant factors which they had identified at that time have changed in the interim to such an extent as to affect the appropriateness of the going concern assumption.

As part of the review, the auditor should inquire whether management has changed its assessment of the entity's ability to continue as a going concern. When, as a result of this inquiry or other review procedures the auditor becomes aware of events or conditions that may cast significant doubt on the entity's ability to continue as a going concern, the auditor should inquire of management as to its plans for future action and consider the adequacy of the disclosures about such matters in the interim financial statements. If necessary, the auditor may consider that the uncertainties in respect of going concern need to be expressed in his review report and will, in turn, have implications for the Licensor's own assessment procedures (as set out in Article 1.3.5 below).

### 1.3.5 ASSESSMENT PROCEDURES BY LICENSOR

In turn the Licensor inspects the submitted information and, if necessary, addresses the consequences of any modifications to the review report.

As a minimum, the Licensor must perform the following assessment procedures:

- a) assess whether the selected reporting entity/entities is appropriate for club licensing purposes;
- b) assess whether all required reports, documentations and forms have been submitted;

- c) assess whether submitted reports, documentations and forms contain the minimum required information and is according to the format as per the Regulations;
- d) Assess the information (interim financial statements that may also include supplementary information) submitted to form a basis for the licensing decision;
- e) Read and consider the interim financial statements and the auditor's report thereon;
- f) Address the consequences of any modifications to the review or audit report (compared to the normal form of unqualified report) and/or deficiencies compared to the minimum disclosure and accounting principles according to these Regulations.

### 1.3.6 LICENSOR DECISION

The Licence must be refused:

- a) If the Licence Applicant have submitted annual financial statements, documents, reports and forms for the wrong reporting entity/entities;
- b) If the interim financial statements, documents, reports and forms (cf. Articles 1.3.1 and 1.3.3) are not submitted to the Licensor within the defined deadline;
- c) If the submitted interim financial statements, documents, reports and forms (including any supplementary information) do not contain all the minimum information and/or is/are not in accordance with the format as required in this Regulations (cf. Article 1.3.3);
- d) If having assessed the annual financial statements, documents, reports and forms submitted, the Licensor is not convinced that the Licence Applicant is able to continue as a going concern until at least the end of the season to be licenced;
- e) If the auditor's report makes a reference to any situation where the Licence Applicant (or the registered member of the UAE FA which has a contractual relationship with the Licence Applicant) 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 (including voluntary or mandated administration procedures) within the 12 months preceding the Licence season.

Having read and considered the auditor's review report on the interim financial statements, the Licensor must assess it according to the points below:

- f) If the auditor's review report states that nothing has come to the auditor's attention, based on the review, that causes the auditor to believe the financial statements do not

give a true and fair view (or are not presented fairly, in all material respects) in accordance with the identified financial reporting framework (negative assurance), this provides a satisfactory basis for granting the Licence in respect of criterion F.02.

- g) If the auditor's report disclaims a conclusion or gives an adverse conclusion, the Licence must be refused, unless a subsequent audit opinion without disclaimer of opinion or an 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. The subsequent audit opinion must be submitted to the Licensor, together with the auditor's report according to the deadline that has been set for the financial criteria (cf. Chapter 5 of the UAE Club Licensing Regulations).
- h) If the auditor's review report expresses, in respect of going concern, either an emphasis of matter or a qualified conclusion, then the Licence must be refused, unless additional documentary evidence demonstrating the Licence Applicant's ability to continue as a going concern until at least the end of the season to be licenced has been provided to, and assessed by, the Licensor to his satisfaction. The additional documentary evidence includes, but is not necessarily limited to, the information described in Article 1.7 (Future financial information). The additional documentary evidences must be submitted to the Licensor, together with the auditor's report according to the deadline that has been set for the financial criteria (cf. Chapter 5 of the UAE Club Licensing Regulations).

If the auditor's review report in respect of the interim financial statements submitted in accordance with F.02 expresses an emphasis of matter or a qualified conclusion in respect of going concern, then the Licence Applicant/licencee shall be in breach of indicator IND.02 (as set out in Article 1.7.4.2). As a result, the Licensor must undertake more extensive assessment procedures in respect of criterion F.06 (Future financial information) and, if granted a Licence, the licencee must also comply with criterion F.08 (Duty to update future financial information).

Submission of additional documentary evidences does not automatically mean that the Licence Applicant will be granted a Licence. The Licensor must be convinced that the subsequent audit opinion and/or additional evidences demonstrate the ability of

the Licence Applicant to continue as going concern until the end of the season to be licenced.

- i) If the auditor's review report expresses, in respect of a matter other than going concern, either an emphasis of matter or a qualified conclusion, then the Licensor must consider the implications of the modification for club licensing purposes. The Licence may be refused, unless additional documentary evidence is provided to, and assessed by, the Licensor to his satisfaction.

Guidance Note 9 of the AFC Club Licensing Financial Handbook provides a diagrammatic summary of the implications on the licensing decision of different modifications to the auditor's review report.

If the interim financial statements have been subject to an audit, rather than a review, having read and considered the auditor's report on the interim financial statements, the Licensor must assess it according to the points set out in (c) to (g) in Article 1.2.6.

### 1.3.7 RELEVANT APPENDICES

- **UAE Pro League Club Licensing Financial Handbook:**
  - Interim Financial Statements: Balance Sheet Template (Appendix 2a)
  - Interim Financial Statements: Profit and Loss Template (Appendix 2b)
  - Interim Financial Statements: Cash Flow Template (Appendix 2c)
  - Interim Financial Statements: Player Identification Table (Appendix 2d)
  - Interim Financial Statements: Declaration template for reporting entity/entities and reporting perimeter (Appendix 2e)
- **AFC Club Licensing Financial Handbook (Guidance Notes):**
  - GUIDANCE NOTE 1 – Minimum Disclosure Requirements for the Financial Statements
  - GUIDANCE NOTE 2 – Minimum Accounting Requirements for Player Registration Costs
  - GUIDANCE NOTE 3 – Minimum Information for the Content of the Player Identification Table
  - GUIDANCE NOTE 6 – Interim Financial Statements



- GUIDANCE NOTE 7 – Determination of Auditor and Assessment Procedures – Interim Financial Statements
- GUIDANCE NOTE 8 – Financial Statements that do not provide a True and Fair View
- GUIDANCE NOTE 9 – Interim Financial Reporting : Diagrammatic Summary of Implications on the Licensing Decision of Different Modifications to the Auditor's Review Report

▪ **AFC Club Licensing Financial Handbook Reference Library:**

Relevant Documents:

- Interim Financial Reporting: Commentary on Recognition and Measurement (Document VII)
- Interim Financial Reporting: Commentary on Specific Explanatory Notes (Document VIII)
- Interim Financial Reporting: Illustrative Form of Review Report that May be Issued from an Engagement to Review Interim Financial Statements (Document IX)
- Promoted Applicants: Guidance on Relaxation of Disclosure Requirements (Document III)

Relevant Templates:

- Interim Financial Reporting: Illustrative Review Report (Template 9)

## 1.4 CRITERION F.03: NO PAYABLES OVERDUE TOWARDS FOOTBALL CLUBS ARISING FROM TRANSFER ACTIVITIES

Unless mentioned specifically, the requirements in Articles 1.4.1 to 1.4.3 are mandatory and constitute the minimum requirements for the Licence Applicant in order to fulfill criterion F.03.

### 1.4.1 THE CRITERION

No.	Description	Grade
F.03	<b>NO PAYABLES OVERDUE TOWARDS FOOTBALL CLUBS ARISING FROM TRANSFER ACTIVITIES</b>	<b>A</b>
<p>The Licence Applicant must prove that it has no payables overdue (e.g. final and binding decisions of the FIFA/UAFA Players' Status Committee, the FIFA/UAFA Dispute Resolution Chamber, the Court of Arbitration for Sport "CAS" or UAE Sports Arbitration Center) towards football clubs arising from transfer activities as at 31 December 2025, unless by 31 March 2026, they have been fully settled, deferred by mutual agreement with the creditor or are subject to a not obviously unfounded dispute between the creditor and the debtor with regards to proof of the debt, submitted to a competent authority.</p>		
<p><b>Documents to be submitted:</b></p> <ol style="list-style-type: none"> <li>Declaration in Respect of No Payables Overdue Towards Football Clubs Arising from Transfer Activities. (see appendix 3e).</li> <li>Player "Transfer Payables Table" (as of 31 December 2025, see Article 1.4.3.2 below and Appendix 3a);</li> <li>Player "Transfer Receivables table" (as of 31 December 2025, see Article 1.4.3.3 below and Appendix 3b);</li> <li>Any supporting evidence to explain overdue payables (written agreements, legal cases, etc.) see Articles 1.4.3.1 and 1.4.3.4 below.</li> <li>Confirmation letter declares all outstanding balances (Payables and Receivables) arising from transfer activities (see appendix 3c).</li> <li>Confirmation letters from all local professional clubs to certify the outstanding payable/receivable balances at 31 December 2025.</li> <li>Letter from the Licence applicant's lawyer or the legal advisor (to be submitted no later than 28 February 2026) declares whether there is legal cases or not that include claims from or against the Licence applicant as at 31 December 2025 (applicable for criteria F.03 and F.04). In addition, clarification of the pending legal cases status along with any financial liabilities which can be measured (see appendix 3d).</li> </ol>		

### 1.4.2 REPORTING DATE

Regardless of the statutory closing date or interim financial reporting date of a Licence Applicant, the criterion is to be assessed as at 31 December 2025.

### 1.4.3 MINIMUM INFORMATION AND DOCUMENTS TO BE SUBMITTED BY LICENCE APPLICANT

#### 1.4.3.1 INTRODUCTION TO THE CONTENT OF THE TRANSFER PAYABLES TABLE

Payables are considered as overdue if they are not paid according to the agreed terms.

For the purpose of criterion F.03, payables are only those amounts due to football clubs arising from the direct costs of acquiring a player's registration. These include training compensation as defined in the "FIFA Regulations for the Status and Transfer of Players" as well as clauses for future compensation.

Payables at 31 December of the year preceding the Season to be Licenced are not considered as overdue, within the meaning of these regulations, if the Licence Applicant / licensee (i.e. debtor club) is able to prove by the following 31 March that:

- a) It has fully settled; i.e. paid in full the overdue payables, unless otherwise individually agreed with the creditor; or
- b) It has concluded a written agreement with the creditor to extend the deadline of the payment of these payables overdue (Note, if the creditor has not requested payment of an overdue amount, this is not considered as an extension of the deadline for payment); or
- c) Proceedings have been opened with the competent authority according to national legislation, or proceedings have been opened with the statutory national or international football authorities or relevant Arbitration Tribunal, with regard to these payables overdue.

If the decision-making bodies consider that proceedings may have been opened by the Licence Applicant with the sole purpose of bringing overdue balances into the disputed category (as a way of creating a situation as described in iii, above) and 'buying time', the

Licensors may request additional evidence in order to be satisfied that it is 'a not obviously unfounded dispute'.

Agreements between clubs for the transfer of a player's registration often include clauses for future compensation payments dependent on certain conditions being met at some stage in the future (i.e. contingent liabilities). Typically, these clauses are related to the future 'success' of the player concerned and/or the new club he plays for – for example, number of appearances, goals scored, international caps, promotion of the club, avoiding relegation, qualification for Asian competition. Until a particular condition is actually met, the associated liability is not a payable and cannot be overdue.

#### 1.4.3.2 TRANSFER PAYABLES TABLE

The Licence Applicant must disclose the transfer activities in a separate transfer payables table according to the format in Appendix 4a. This table must be prepared, in accordance to the format in Appendix 4a, 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 of the year preceding the Season to be Licenced, irrespective of whether there is an amount outstanding to be paid at that date. In addition, the Licence Applicant must disclose all transfers subject to a claim pending before the competent authority under national law or proceedings pending before a national or international football authority or relevant arbitration tribunal.

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

- a) player (identification by name or number);
- b) date of the transfer/loan agreement;
- c) the name of the football club that formerly held the registration;
- d) transfer (or loan) fee paid and/or payable (including training compensation and solidarity contribution);
- e) other direct costs of acquiring the registration paid and/or payable;
- f) amount settled/paid and payment date;

- g) the balance payable at 31 December of the year preceding the Season to be Licenced in respect of each player transfer including the due date for each unpaid element;
- h) any payable rolled forward from 31 December of the year preceding the Season to be Licenced up to the following 28 February including the due date for each unpaid element, together with explanatory comment; and
- i) conditional amounts (contingent liabilities) not yet recognized in the balance sheet as at 31 December of the year preceding the Season to be Licenced.

The Licence Applicant must reconcile the total liability per the transfers payable table with the figure in the balance sheet (if applicable) for 'Accounts payable relating to player transfers'. The Licence Applicant is required to report in this table all overdue payables even if payment has not been requested by the creditor.

The transfer payables table must be prepared on the Licence Applicant's official letter head and stamped with the official seal of the Licence Applicant. The transfer payables table must be approved by management and this must be evidenced by way of a brief statement and signatures of the Licence Applicant's CEO and the Financial Director/Officer of the Licence Applicant (as submitted in criteria P.03 and P.04).

The Licensor may request further information.

#### 1.4.3.3 TRANSFER RECEIVABLES TABLE

The Licence Applicant must also submit to the Licensor a transfer receivables tables in the format as shown in Appendix 3b. The transfer receivables table is the opposite of the payables table and outlines all incoming amounts in from other football clubs arising from the transfer of a player's registration (direct costs of acquiring a player's registration). These include training compensation as defined in the "FIFA Regulations for the Status and Transfer of Players" as well as clauses for future compensation. This table assists the Licensor to reconcile player transfers and payments between UAE Clubs.

The Licence Applicant must reconcile the total asset per the transfers receivable table with the figure in the balance sheet (if applicable) for 'Accounts receivable from player transfers'. The transfer receivables table must be prepared on the Licence Applicant's official letter head and stamped with the official seal of the Licence Applicant. The transfer receivables table must be approved by management and this must be evidenced by way of a brief

statement and signatures of the Licence Applicant's CEO and the Finance Director/Officer of the Licence Applicant (as submitted in criteria P.03 and P.04).

#### 1.4.3.4 OTHER EVIDENCES / DOCUMENTS

Where the Licence Applicant has payables overdue, it must submit to the Licensor additional documents and evidences to explain these overdues. The additional documents and evidences may include, but not limited to those that show that:

- a) a legal claim has been admitted (and with no conclusion yet) to competent authority under national law or proceedings with the national or international football authorities or relevant arbitration tribunal contesting liability in relation to the overdue payables;
- b) The Licence Applicant have contested 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 reasonable satisfaction of the relevant decision-making bodies of the Licensor that the claim which has been brought or the proceedings which have been opened are manifestly unfounded
- c) The Licence Applicant has concluded an agreement which has been accepted in writing by the creditor to extend the deadline for payment beyond the applicable deadline (note: the fact that a creditor may not have requested payment of an amount does not constitute an extension of the deadline).

Submission of the above evidences and documents must be within the deadline announced and submission of these documents does not guarantee that criterion F.03 will be passed. The Licensor must study and assess the documents as per the process and procedures set out in Articles 1.4.4 and 1.4.5 below.

#### 1.4.4 ASSESSMENT PROCEDURES BY LICENSOR

The Licensor must assess the information submitted by the Licence Applicant, in particular the transfer payables table and corresponding supporting documents, as detailed below.

- a) Agree the total in the transfer payables table with the 'Accounts payable relating to player transfers' amount in the audited/reviewed financial statements as at 31 December of the year preceding the Season to be Licenced.

- b) Check the mathematical accuracy of the transfer payables table.
- c) Select a sample of player transfers/loans, compare the corresponding agreements with the information contained in the transfer payables table and highlight the select transfer / loans.
- d) Select a sample of transfer payments, compare them with the information contained in the transfer payables table and highlight the selected payments.
- e) If, according to the transfer payables table, there is an amount overdue that concerns a transfer occurred before 31 December of the year preceding the Season to be Licenced, examine that by the following 31 March at the latest:
  - i. An agreement has been reached as per Article 1.4.3.1, ii); or
  - ii. A dispute has arisen as per Article 1.4.3.1, iii).
- f) If applicable: obtain and examine documents, including agreements with the relevant football club(s) and/or correspondence with the competent body, in support of article e) above.

#### 1.4.5 LICENSOR DECISION

The Licensor shall, as part of his assessment, read the information in respect of payables from transfer activities and also read the auditor's report on the agreed-upon procedures, if such a report is submitted.

The Licence must be refused:

- a) If the documents and information in respect of payables from transfer activities, as required in this Regulations (cf. Articles 1.4.1 and 1.4.3) is not submitted to the Licensor by the defined deadline;
- b) If the Licence Applicant submits documents and information that does not meet the minimum disclosure requirements and/or is not in the format that is required as per the Regulations;
- c) If according to the documents submitted by the Licence Applicant, that the Licence Applicant has payables overdue towards football clubs arising from transfer activities as at 31 December of the year preceding the Season to be Licenced and no additional documents / evidences have been submitted by the Licence Applicant to indicate that these payables overdue are due to reasons indicated in paragraphs a) to c) below..

For the purpose of the Club Licensing System, if the Licence Applicant has overdue payables at 31 December preceding the Season to be Licenced (see point c) above), the Licence may still be granted if the Licence Applicant is able to prove by the following 31 March that:

- i. It has fully settled; i.e. paid in full the overdue payables, unless otherwise individually agreed with the creditor; or
- ii. It has concluded a written agreement with the creditor to extend the deadline of the payment of these payables overdue (Note, if the creditor has not requested payment of an overdue amount, this is not considered as an extension of the deadline for payment); or
- iii. Proceedings have been opened with the competent authority according to national legislation, or proceedings have been opened with the statutory national or international football authorities or relevant Arbitration Tribunal, with regard to these payables overdue.

If the decision-making bodies consider that proceedings may have been opened by the Licence Applicant with the sole purpose of bringing overdue balances into the disputed category (as a way of creating a situation as described in iii, above) and 'buying time', the Licensor may request additional evidence in order to be satisfied that it is 'a not obviously unfounded dispute'.

#### 1.4.6 RELEVANT APPENDICES

- **UAE Pro League Club Licensing Financial Handbook:**
  - Transfer payables table (Appendix 3a)
  - Transfer receivables table (Appendix 3b)
  - Confirmation letter template (Appendix 3c)
  - Lawyer letter template (Appendix 3d)
- **AFC Club Licensing Financial Handbook (Guidance Notes):**
  - GUIDANCE NOTE 10 – Transfers Payable and Assessment Procedures



- GUIDANCE NOTE 11 – Transfers Receivable and Assessment Procedures

▪ **AFC Club Licensing Financial Handbook Reference Library:**

Relevant Documents:

- Declaration in Respect of No Payables Overdue Towards Football Clubs Arising from Transfer Activities (Document X)
- Template - Transfers Payable Table (Document XI)
- Transfers Payable Reporting: Illustrative Form of Agreed-Upon Procedures (Document XII)
- Template - Transfers Receivable Table (Document XIII)
- Transfers Receivable Reporting: Illustrative Form of Agreed-Upon Procedures (Document XIV)

Relevant Templates:

- Declaration in Respect of No Payables Overdue Towards Football Clubs Arising from Transfer Activities (Template 10)
- Transfers Payable Reporting: Template Transfers Payable Table (Template 11)
- Transfers Payable Reporting: Illustrative Report of Factual Findings (Template 12)
- Transfers Receivable Reporting: Template Transfers Receivable Table (Template 13)
- Transfers Receivable Reporting: Illustrative Report of Factual Findings (Template 14)

## 1.5 CRITERION F.04: NO PAYABLES OVERDUE TOWARDS EMPLOYEES AND SOCIAL/TAX AUTHORITIES

Unless mentioned specifically, the requirements in Articles 1.5.1 to 1.5.3 are mandatory and constitute the minimum requirements for the Licence Applicant in order to fulfill criterion F.04.

### 1.5.1 THE CRITERION

No.	Description	Grade
F.04	<b>NO PAYABLES OVERDUE TOWARDS EMPLOYEES AND SOCIAL / TAX AUTHORITIES</b>	<b>A</b>
<p>The Licence Applicant must prove that, in respect of contractual and legal obligations with its current and former “employees” and social/tax authorities, it has no overdue payables (e.g. final and binding decisions of the FIFA/UAEFA Players’ Status Committee, the FIFA/UAEFA Dispute Resolution Chamber, the Court of Arbitration for Sport “CAS” or UAE Sports Arbitration Center) as at 31 December 2025, unless by the 31 March 2026 they have been fully settled, deferred by mutual agreement with the creditor or are subject to a not obviously unfounded dispute between the creditor and the debtor with regards to proof of the debt, submitted to a competent authority.</p> <p>The term “employees” shall include but not limited to the following:</p> <ul style="list-style-type: none"> <li>all professional players according to the applicable FIFA Regulations on the Status and Transfer of Players, and</li> <li>the administrative, technical, medical, and security staff specified in the UAE Pro League Club Licensing Regulations and AFC Club Licensing Regulations, i.e. the employees as per Personnel &amp; Administrative Criteria from P.02 to P.30 except for P.13, P.14, &amp; P.19.</li> </ul> <p><b>Documents to be submitted:</b></p> <ol style="list-style-type: none"> <li>Declaration in Respect of No Payables Overdue Towards Employees and Social or Tax Authorities (see appendix 4f).</li> <li>Employees Schedule and Players Schedule (as of 31 December 2025 (see Article 1.5.3.2 below and Appendices 4b and 4c);</li> <li>Confirmation letter from each employee (listed in Personnel &amp; Administrative Criteria from P.02 to P.30 except for P.13, P.14, &amp; P.19.) and each professional player</li> </ol>		

confirming, in respect of contractual and legal obligations, there is no outstanding dues (i.e. salaries) , or any other payments arising on or before 31 December 2025 (see Appendix 4a);

- iv. List of all professional players according to the applicable FIFA Regulations for the Status and Transfer of Players (see appendix 4d).
- v. Any supporting evidence to explain overdue employee/player payables (written agreements, legal cases, etc.) see Articles 1.5.3.1 and 1.5.3.2 below;
- vi. Salaries Payments Reconciliation as of 31 December 2025 for players and employees (see appendix 4e) i.e. in respect of overdue payables for the period ended 31 December 2025, subsequent bank statements copy "e.g. of January 2026, February 2026, etc..." along with payment details should be submitted in the Overdue Payable (ODP) Management Module in Club Licensing Administration System CLAS.
- vii. Confirmation letter for social/tax authorities confirming, in respect of contractual and legal obligations, there is no outstanding dues, or any other payments arising on or before 31 December 2025 (see Appendix 4a.1).
- viii. Evidence from the relevant authorities in respect of payables towards social/tax authorities, disclosing the accumulated balance as at 31 December 2025 along with the latest tax return filed and payment details (if any).

## 1.5.2 REPORTING DATE

Regardless of the statutory closing date or interim financial reporting date of a Licence Applicant, the criterion is to be assessed as at 31 December 2025.

## 1.5.3 MINIMUM INFORMATION AND DOCUMENTS TO BE SUBMITTED BY THE LICENCE APPLICANT

### 1.5.3.1 INTRODUCTION TO THE CONTENT OF PAYABLES TOWARDS EMPLOYEES AND SOCIAL/TAX AUTHORITIES

Payables are considered as overdue if they are not paid according to the agreed terms. Amounts payable at 31 December will sometimes include amounts due to people who, for various reasons, are no longer employed by the applicant. Regardless of the way such payables are accounted for in the financial statements, they fall within the framework of

criterion F.04 which requires the obligation to be settled / paid within the period or duration stipulated in the contract and/or defined by law.

The Licensor may, if he chooses, also include within the requirements of this criterion employees other than those described above.

Payables at 31 December of the year preceding the Season to be Licenced are not considered as overdue, within the meaning of these regulations, if the Licence Applicant / licensee (i.e. debtor club) is able to prove by the following 31 March that:

- i. It has fully settled; i.e. paid in full the overdue payables, unless otherwise individually agreed with the creditor; or
- ii. It has concluded a written agreement with the creditor to extend the deadline of the payment of these payables overdue (Note, if the creditor has not requested payment of an overdue amount, this is not considered as an extension of the deadline for payment); or
- iii. Proceedings have been opened with the competent authority according to national legislation, or proceedings have been opened with the statutory national or international football authorities or relevant Arbitration Tribunal, with regard to these payables overdue.

If the decision-making bodies consider that proceedings may have been opened by the Licence Applicant with the sole purpose of bringing overdue balances into the disputed category (as a way of creating a situation as described in iii, above) and 'buying time', the Licensor may request additional evidence in order to be satisfied that it is 'a not obviously unfounded dispute'.

#### **1.5.3.2 EMPLOYEES SCHEDULE (LIST OF EMPLOYEES)**

The Licence Applicant shall prepare a schedule (see appendixes 4b & 4c) showing all employees (including professional players) who were employed at any time during the year/period to 31 December of the year preceding the Season to be Licenced; i.e. not just those who remain at period end. The schedule shall be submitted to the Licensor.

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;
- d) Termination date (if applicable); and
- e) The balance payable as at 31 December of the year preceding the Season to be Licenced, including the due date for each unpaid element; and
- f) Any payable rolled forward from 31 December of the year preceding the Season to be Licenced up to the following 28 February, including the due date for each unpaid element, together with explanatory comments.

The employees and players schedules must be prepared, containing all the minimum information as above and illustrated in Appendices 4b and 4c, on the Licence Applicant's official letter head and stamped with the official seal of the Licence Applicant. The schedules must be approved by the Licence Applicant's CEO and the Financial Director/Officer of the Licence Applicant (as submitted in criteria P.03 and P.04).

### 1.5.3.3 CONFIRMATION LETTER FROM EACH EMPLOYEE

The Licence Applicant must submit a confirmation letter from each employee (listed in Personnel & Administrative Criteria from P.03 to P.28) and each professional player under the Licence Applicant's employment, confirming no outstanding dues (i.e. salaries) or any other payments arising on or before 31 December of the year preceding the Season to be Licenced .

The letter must contain the following minimum information:

- i. Name of employee;
- ii. Position of the employee;
- iii. Start date of employment;
- iv. End date of employment (contract) or termination date of employment;
- v. Any overdue payable as at 31 December, together with explanatory comments;
- vi. If there are no overdue payable, employee to state explicitly that there are no overdue payable;
- vii. Signature of employee;

- viii. Date when letter is signed by the employee;
- ix. Signature of representative of the Licence Applicant (one of the authorized signatories as submitted in criteria L.02) and date when letter is signed by the Licence Applicant;
- x. Stamp of the Licence Applicant.

Please see Appendix 4a for an illustration of the employee confirmation letter containing all the minimum information listed above. The confirmation letter must be on the letter head of the Licence Applicant and must be stamped with the official seal of the Licence Applicant.

For the purpose of criterion F.04, The term “employees” shall include but not limited to the following:

- all professional players according to the applicable FIFA Regulations for the Status and Transfer of Players, and
- the administrative, technical, medical, and security staff specified in the UAE Pro League Club Licensing Regulations and AFC Club Licensing Regulations, i.e. the employees as per Personnel & Administrative Criteria from P.03 to P.28.

#### 1.5.3.4 OTHER EVIDENCES / DOCUMENTS

Where the Licence Applicant has payables overdue towards its employees, it must submit to the Licensor additional documents and evidences to explain these overdues. The additional documents and evidences may include, but not limited to those that show that:

- a) a legal claim has been admitted (and with no conclusion yet) to competent authority under national law or proceedings with the national or international football authorities or relevant arbitration tribunal contesting liability in relation to the overdue payables;
- b) The Licence Applicant have contested 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 reasonable satisfaction of the relevant decision-making bodies of the Licensor that the claim which has been brought or the proceedings which have been opened are manifestly unfounded.

- c) The Licence Applicant has concluded an agreement which has been accepted in writing by the creditor to extend the deadline for payment beyond the applicable deadline (note: the fact that a creditor may not have requested payment of an amount does not constitute an extension of the deadline).

Submission of the above evidences and documents must be within the deadline announced and submission of these documents does not guarantee that criterion F.04 will be passed. The Licensor must study and assess the documents as per the process and procedures set out in Articles 1.5.4 and 1.5.5 below.

#### **1.5.3.5 DOCUMENTATION IN RESPECT OF PAYABLES TOWARDS SOCIAL/TAX AUTHORITIES**

The Licence Applicant shall submit to the auditor and/or the Licensor the necessary documentary evidence showing the amount payable (if any), as at 31 December of the year preceding the Season to be Licenced, to the competent social/tax authorities in respect of contractual and legal obligations with its employees.

#### **1.5.4 ASSESSMENT PROCEDURES BY LICENSOR**

The Licensor must assess the information submitted by the Licence Applicant, in particular the list of employees and other corresponding supporting documents, as detailed below.

- a) Did the Licence Applicant submit all required document/information within the deadline?
- b) Do the submitted documents / information contain the minimum required information as per Regulations?
- c) Obtain the list of employees prepared by the management.
- d) Agree the total payable in the list of employees with the 'Accounts payable to employees' amount in the audited/reviewed financial statements as at 31 December of the year preceding the Season to be Licenced.
- e) Obtain and inspect a randomly selected sample of employee confirmation letters and compare the information to that contained in the list of employees.
- f) If there is an amount overdue that refers to payables in respect of contractual and legal obligations towards its employees that arose before 31 December of the year

preceding the Season to be Licenced, examine that by the following 31 March at the latest:

- i. An agreement has been reached as per Article 1.5.3.1, ii); or
- ii. A dispute has arisen as per Article 1.5.3.1, iii).
- g) Examine a selection of bank statements in support of payments.
- h) If applicable: examine documents, including agreements with the relevant employee(s) and/or correspondence with the competent body, in support of the representations under article d) above.

The Licensor also must assess all supporting documents in respect of payables to social and tax authorities in respect of contractual and legal obligations towards the Licence Applicant's employees. In particular, he must perform the following steps:

- a) Agree the recorded balance of payroll taxes as at 31 December of the year preceding the Season to be Licenced to the payroll records of the club.
- b) If there is an amount overdue that refers to payables in respect of contractual and legal obligations towards social and tax authorities that arose before 31 December of the year preceding the Season to be Licenced, examine that by the following 31 March at the latest:
  - 1. An agreement has been reached as per Article 1.5.3.1, ii); or
  - 2. A dispute has arisen as per Article 1.5.3.1, iii).
- c) If applicable: examine documents, including agreements with the tax/social authorities and/or correspondence with the competent body, in support of article b) above.

### 1.5.5 LICENSOR DECISION

The Licensor shall, as part of his assessment, read the information in respect of payables towards employees and social/tax authorities and also read the auditor's report of factual findings, if such a report is submitted.

The Licence must be refused:

- a) If the required information / documents (Articles 1.5.1 and 1.5.3) are not submitted to the Licensor within the defined deadline;



- b) If the Licence Applicant submits documents / information that does not meet the minimum disclosure requirements and/or is not in accordance to the format required.
- c) If according to the documents submitted by the Licence Applicant, the Licence Applicant has payables overdue towards employees and social/tax authorities as at 31 December of the year preceding the Season to be Licenced and no additional documents / evidences have been submitted by the Licence Applicant to indicate that these payables overdue are due to reasons indicated in paragraphs a) to d) below.

For the purpose of the Club Licensing System, if the Licence Applicant has overdue payables at 31 December preceding the Season to be Licenced (see point c) above), the Licence may still be granted if the Licence Applicant is able to prove by the following 31 March that:

- i. It has fully settled; i.e. paid in full the overdue payables, unless otherwise individually agreed with the creditor; or
- ii. It has concluded a written agreement with the creditor to extend the deadline of the payment of these payables overdue (Note, if the creditor has not requested payment of an overdue amount, this is not considered as an extension of the deadline for payment); or
- iii. Proceedings have been opened with the competent authority according to national legislation, or proceedings have been opened with the statutory national or international football authorities or relevant Arbitration Tribunal, with regard to these payables overdue.

If the decision-making bodies consider that proceedings may have been opened by the Licence Applicant with the sole purpose of bringing overdue balances into the disputed category (as a way of creating a situation as described in iii, above) and 'buying time', the Licensor may request additional evidence in order to be satisfied that it is 'a not obviously unfounded dispute'.

### 1.5.6 RELEVANT APPENDICES

▪ **UAE Pro League Club Licensing Financial Handbook:**

- Employee's confirmation letter (Appendix 4a)
- Confirmation letter for social/tax authorities (Appendix 4a.1)
- Employees Schedule (Appendix 4b)
- Players Schedule (Appendix 4c)
- list of all professional players (Appendix 4d)
- Salaries payments reconciliation (Appendix 4e)

▪ **AFC Club Licensing Financial Handbook (Guidance Notes):**

- GUIDANCE NOTE 12 – Payment to Employees and Social / Tax Authorities

▪ **AFC Club Licensing Financial Handbook Reference Library:**

Relevant Documents:

- Declaration in Respect of No Payables Overdue Towards Employees and Social / Tax Authorities (Document XV)
- Employee Payables Reporting: Illustrative Form of Agreed-Upon Procedures (Document XVI)
- Employee Payables Reporting: Illustrative Confirmation Letter from Employees (Document XVII)

Relevant Templates:

- Declaration in Respect of No Payables Overdue Towards Employees and Social / Tax Authorities (Template 15)
- Employee Payables Reporting: Illustrative Report of Factual Findings (Template 16)
- Employee Payables Reporting: Illustrative Confirmation Letter from Employees (Template 17)

## 1.6 CRITERION F.05: WRITTEN REPRESENTATIONS PRIOR TO THE LICENSING DECISION

Unless mentioned specifically, the requirements in Articles 1.6.1 to 1.6.3 are mandatory and constitute the minimum requirements for the Licence Applicant in order to fulfill criterion F.05.

### 1.6.1 THE CRITERION

No.	Description	Grade
<b>F.05</b>	<b>WRITTEN REPRESENTATIONS PRIOR TO THE LICENSING DECISION</b>	<b>A</b>
<p>Within seven (7) working days prior to the date on which the licensing decision is to be made by the First Instance Body (FIB), the Licence Applicant must make written representations to the Licensor.</p> <p>The written representations must confirm the following:</p> <ol style="list-style-type: none"> <li>That all documents submitted to the Licensor are complete and correct;</li> <li>Whether or not any significant change in relation to all the licensing criteria has occurred (note: not just financial criteria but all the criteria);</li> <li>Whether or not any events or conditions of major economic importance have 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 or reviewed interim financial statements (if applicable). If any events or conditions of major economic importance have occurred, 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;</li> <li>Whether or not the Licence Applicant (or the registered member of the UAE FA which has a contractual relationship with the Licence Applicant) 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 (including voluntary or mandated administration procedures) within the 12 months preceding the Licence season.</li> </ol> <p>Approval by Management must be evidenced by way of a signature on behalf of the executive body of the Licence Applicant.</p>		

**Documents to be submitted:**

- i. Written Representations Letter (see sample in Appendix 5) from the highest decision-making body of the Licence Applicant, signed by the Finance Director/Officer of the Licence Applicant (as declared in criteria P.04) and the Licence Applicant's CEO

**1.6.2 REPORTING PERIOD**

The Licence Applicant must prepare and submit to the Licensor a management representations letter, within the seven (7) working days period prior to the date on which the licensing decision is to be made by the FIB.

The deadline date must be defined by the Licensor and communicated, in advance, to the Licence Applicants in writing.

**1.6.3 MINIMUM INFORMATION AND DOCUMENTS TO BE SUBMITTED BY THE LICENCE APPLICANT**

Each Licence Applicant must prepare and submit to the Licensor a management representations letter. The management representations letter must state whether or not there have been any events or conditions of major economic importance since the balance sheet date of the preceding audited annual financial statements or reviewed interim financial statements. If any events or conditions of major economic importance have occurred, 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.

Approval by management shall be evidenced by way of signatures from the Licence Applicant's Finance Director/Officer (as declared in criteria P.04) and the Licence Applicant's CEO. The letter must be prepared on the official letter head of the Licence Applicant and stamped with the official seal of the Licence Applicant.

The Licensor may request additional information and/or representations from management.

Appendix 5 provides an illustration of a management representations letter to the Licensor.

Examples of events or conditions which, individually or collectively, may be considered of major economic importance include:

- a) Fixed term borrowing approaching maturity without realistic prospects of renewal or repayment;
- b) Indications of withdrawal of financial support by financiers and other creditors;
- c) Substantial operating losses since the last submitted financial statements;
- d) Inability to pay creditors on due dates;
- e) Inability to comply with the terms of loan agreements with finance providers;
- f) Discovery and confirmation of material fraud or errors that show the financial statements are incorrect;
- g) Determination of pending legal proceedings against the applicant that result in claims that are unlikely to be satisfied;
- h) The executive responsibilities of the Licence Applicant are being undertaken by a person(s) under some external appointment, relating to legal or insolvency procedures, rather than by the management;
- i) A significant change of key management;
- j) Management determines that it intends to liquidate the entity, cease trading, or seek protection from creditors pursuant to laws or regulations, or that it has no realistic alternative but to do so.

This listing is not all-inclusive, nor does the existence of one or more of the items always signify that an adverse impact on the Licence Applicant's financial position exists.

#### 1.6.4 ASSESSMENT PROCEDURES BY THE LICENSOR

The Licensor shall, as part of his assessment, read and consider the information in respect of any event or condition of major economic importance, in combination with the historic financial information, future financial information and any additional documentary evidence provided by the Licence Applicant. The Licensor must assess the club's ability to continue as a going concern until at least the end of the Licence season.

#### 1.6.5 LICENSOR DECISION

The Licence must be refused:

- a) If the management representations letter is not submitted to the Licensor within the defined deadline;
- b) If management representations letter does not contain the minimum information and/or the required signatories;
- c) If based on the management representations letter, documents previously submitted are found to be untrue and/or incorrect;
- d) If, based on the information in respect of any event or condition of major economic importance, historic financial information and future financial information that the Licensor has assessed, in the Licensor's judgement, the applicant may not be able to continue as a going concern until at least the end of the season to be licenced;
- e) If the Licence Applicant (or the registered member of the UAE FA which has a contractual relationship with the Licence Applicant) or any parent company of the Licence Applicant included in the reporting perimeter is/was seeking protection or has received/is still receiving protection from its creditors pursuant to laws or regulations (including voluntary or mandated administration procedures) within the 12 months preceding the Licence season. For the avoidance of doubt, the Licence must still be refused even if the concerned entity is no longer receiving protection from its creditors at the moment the licensing decision is taken.

## 1.6.6 RELEVANT APPENDICES

- **UAE Pro League Club Licensing Financial Handbook:**
  - Management representations letter template (Appendix 5)
- **AFC Club Licensing Financial Handbook (Guidance Notes):**
  - GUIDANCE NOTE 13 – Management Representation Letter
- **AFC Club Licensing Financial Handbook Reference Library:**

### Relevant Documents:

- Illustrative Management Representations Letter to Licensor (Document XVIII)

### Relevant Templates:

- Illustrative Management Representations Letter to Licensor (Template 18)

## 1.7 CRITERION F.06: FUTURE FINANCIAL INFORMATION

Unless mentioned specifically, the requirements in Articles 1.7.1 to 1.7.3 are mandatory and constitute the minimum requirements for the Licence Applicant in order to fulfill criterion F.06.

### 1.7.1 THE CRITERION

No.	Description	Grade
F.06	<b>FUTURE FINANCIAL INFORMATION</b>	<b>A</b>
<p>Future financial information shall be prepared and submitted by the Licence Applicant, consisting of:</p> <ol style="list-style-type: none"> <li>A budgeted profit and loss account;</li> <li>A budgeted cash flow; and</li> <li>Explanatory notes, including a brief description of each of the significant assumptions (with reference to the relevant aspects of historic financial and other information) that have been used to prepare the budgeted profit and loss account and cash flow statement, as well as of the key risks that may affect the future financial results.</li> </ol> <p>The future financial information shall be based on assumptions that are not unreasonable, prepared as a minimum on a quarterly basis, and meet the minimum disclosure requirements defined by this Financial Handbook.</p> <p><b>Documents to be submitted:</b></p> <p>Budgeted financial statements for the two year period, starting from 1 July 2025 and ending 30 June 2027, including:</p> <ol style="list-style-type: none"> <li>Budgeted Profit and Loss Statement (see Appendix 6a);</li> <li>Form 3: Financial resources for age-group teams</li> <li>Reconciliation of financial resources linked to Sporting Criteria S.01: Youth Development Program (see Appendix 6a.1);</li> <li>Budgeted Cash Flow Statement (see Appendix 6b);</li> <li>Explanatory notes template; (see Appendix 6c);</li> <li>Representation letter by Management (see Appendix 6d).</li> </ol>		

Note: If the Licence Applicant exhibits a breach of any of the indicators, then the Licensor must undertake more detailed assessment procedures upon the submitted future financial information and, in certain circumstances, this may provide the basis for a Licence refusal. If the Licence Applicant does not exhibit a breach of any indicators, then the Licensor does not have to undertake more detailed assessment procedures and, in certain circumstances, the Licence Applicant may be subject to a sanction, but not a Licence refusal.

It is irrelevant that the Licence Applicant is able to subsequently show with submission of additional documents that it can continue as a going concern until the end of the season to be licenced.

### 1.7.2 REPORTING PERIOD

The Licence Applicant must prepare future financial information covering the period commencing immediately after the later of the statutory closing date of the annual financial statements (submitted in accordance to criterion F.01) or, if applicable, the balance sheet date of the interim financial statements (submitted in accordance with criterion F.02); and covering the entire season to be licenced. Future financial information must be prepared, as a minimum, on a quarterly basis.

### 1.7.3 MINIMUM INFORMATION AND DOCUMENTS TO BE SUBMITTED BY THE LICENCE APPLICANT

#### 1.7.3.1 MINIMUM REQUIREMENTS FOR THE CONTENT OF FUTURE FINANCIAL INFORMATION

The future financial information must include, as a minimum:

- a) In respect of the budgeted profit and loss account, the equivalent of each of the line items listed from (a) to (dd) in Article 1.2.3.6, plus the total equity at the beginning of the period and budgeted for the end of the period;
- b) Reconciliation of financial resources linked to Sporting Criteria S.02: Youth Development Program;



- c) In respect of the budgeted cash flow, budget cash flows during the period(s) classified by operating, investing and financing activities, in a manner which management consider most appropriate;
- d) Explanatory notes, including a brief description of each of the significant assumptions (with reference to the relevant aspects of historic financial and other information) that have been used to prepare the budgeted profit and loss account and cash flow statement, as well as of the key risks that may affect future financial results; and
- e) Representation letter by Management.

Additional line items or notes shall be included if they provide clarification or if their omission would make the future financial information misleading.

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

In addition, the following information shall be disclosed:

- a) The name (and legal form) of the reporting entity and any change in that information from the preceding statutory closing date;
- b) Whether the financial information covers the individual entity or a group of entities or some other combination of entities; and
- c) The presentation currency.

The future financial information must be based on assumptions that are not unreasonable.

The future financial information, together with the assumptions upon which they are based, must be approved by management and this must be evidenced by way of a brief statement and signatures from one representative of the Licence Applicant's board, the Licence Applicant's Finance Director/Officer (as declared in criteria P.04) and the Licence Applicant's CEO.

This Financial Handbook does not prescribe the basis for recognition or measurement of transactions and other events and does not prescribe the basis for determining reasonable assumptions, except that the bases adopted should be consistent with those used in the Licence Applicant's historic financial information. Hence, each of the significant assumptions should be described by reference to the relevant aspects of historic financial and other information. Some commentary about the preparation of future financial information is contained in Document XX of the AFC Club Licensing Financial Handbook. The minimum disclosure requirements for future financial information in accordance with criterion F.06 are also illustrated in Appendices 6a and 6b.

For the purpose of the minimum requirements of criterion F.06, there is no requirement for a balance sheet to be prepared. However, it is good practice for the Licence Applicant to prepare a balance sheet, integrated with the profit and loss account and cash flow, covering the same period.

All pages of the budgets and document submitted must be signed by the Licence Applicant's Finance Director/Officer (as declared in criterion P.04) and the Licence Applicant's CEO.

If budgets and documents are not prepared on the letterhead of the Licence Applicant, then the stamp of the Licence Applicant must appear on every page of the documents to be submitted.

## **1.7.4 ASSESSMENT PROCEDURES OF THE FUTURE FINANCIAL INFORMATION BY THE LICENSOR**

### **1.7.4.1 INDICATORS**

All Licence Applicants must submit future financial information that meet the minimum requirements for content set out in Article 1.7.3. If the Licence Applicant's historic financial information exhibits certain warning signs, the future financial information must be assessed by the Licensor and/or an independent auditor and, subsequently, the licensee is required to prepare and submit updated future financial information during the season to be licenced. The warning signs are measured by a set of financial indicators that, if

breached, may indicate to the Licensor some concern about the financial performance and future prospects of that Licence Applicant.

The indicators are defined in Article 1.7.4.2. The Licensor is responsible for assessing whether or not an indicator is breached.

The indicators are part of the risk-based approach, whereby those Licence Applicants that exhibit certain 'warning signs' will be subject to more extensive requirements. If a Licence Applicant breaches one or more of the indicators, then:

- The Licensor will undertake more extensive assessment procedures on the information submitted in respect of criterion F.06 (cf. Article 1.7.4.3); and
- If the applicant is granted a Licence, subsequently it has an obligation to submit updated future financial information during the year thereafter (cf. Article 1.9; criterion F.08).

In some respects, this risk-based approach should encourage better financial management and results by clubs. It also enables the Licensor to focus efforts on those Licence Applicants exhibiting 'warning signs' that may indicate to the Licensor some concern about the financial performance and future prospects of that Licence Applicant.

For implementation within the National Club Licensing Financial Handbook, if some Licensors want to have additional criteria, indicators, information requirements and assessment procedures, as some already do, they can do so.

The requirement for an independent auditor and/or the Licensor to examine and report on the future financial information enhances the credibility of the information and the process undertaken by management to prepare it.

#### 1.7.4.2 DEFINITION OF THE INDICATORS

If a Licence Applicant exhibits any of the conditions described by IND.01, IND.02, IND.03, or IND.04 (below), the Licence Applicant shall be in breach of the indicator(s).

No.	Description
<b>IND.01</b>	The auditor's report in respect of the Audited Annual Financial Statements submitted in accordance with Finance Criteria F.01 includes an emphasis of matter or a qualified opinion/conclusion in respect of going concern. (cf. Article 1.2.6).

<b>IND.02</b>	The auditor report in respect of the Reviewed or Audited Interim Financial Statements submitted in accordance with Finance Criteria F.02, includes an emphasis of matter or a qualified opinion/conclusion in respect of going concern. (cf. Article 1.3.6).
<b>IND.03</b>	The Audited Annual Financial Statements (including, where required, the supplementary information) submitted in accordance with Finance Criteria F.01, disclose a net liabilities position that has deteriorated relative to the comparative figure contained in the previous year's Audited Annual Financial Statements. (cf. Article 1.2.3.5 and Document XXII of the AFC Club Licensing Financial Handbook Reference Library).
<b>IND.04</b>	The Reviewed or Audited Interim Financial Statements submitted in accordance with criterion Finance Criteria F.02 (including, where required, the supplementary information) disclose a net liabilities position that has deteriorated relative to the comparative figure at the preceding statutory closing date. (cf. Article 1.3.3.2 and Document XXII of the AFC Club Licensing Financial Handbook Reference Library).

#### 1.7.4.3 ASSESSMENT PROCEDURES

##### No breach of indicators

If the Licence Applicant is not in breach of any indicator, the Licensor may evaluate the future financial information provided to it and check the following:

- whether or not the budget is submitted, by the defined deadline, according to the minimum information and/or format required by the Regulations;
- Whether or not the future financial information is arithmetically accurate.

##### Breach of indicators

If the Licence Applicant is in breach of any indicator, the future financial information must be subject to certain minimum assessment procedures carried out by the Licensor or an independent auditor.

The assessment procedures must include, as a minimum, the following:

- whether or not the budget is submitted, by the defined deadline, according to the minimum information and/or format required by the Regulations;
- check whether the future financial information is arithmetically accurate;

- c) through discussion with management and review of the future financial information, determination whether the future financial information has been prepared using the disclosed assumptions and risks;
- d) 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 or reviewed interim financial statements (if such interim statements have been submitted); and
- e) check that the future financial information has been formally approved by the highest decision-making body of the Licence Applicant. Approval by the highest decision-making body of the Licence Applicant shall be evidenced by way of signatures from the Licence Applicant's Finance Director/Officer (as declared in criterion P.04) and the Licence Applicant's CEO.

If an independent auditor is involved, the work can be carried out by way of agreed upon procedures. The auditor should be the same as the auditor selected to carry out the audit of the immediately preceding annual financial statements. The Licence Applicant must submit to the Licensor a copy of the future financial information approved by highest decision-making body of the Licence Applicant and demonstrated by way of signatures from the Licence Applicant's Finance Director/Officer (as declared in criterion P.04) and the Licence Applicant's CEO.

The Licence Applicant must also submit a copy of the auditor's report of factual findings which must be assessed by the Licensor.

### 1.7.5 LICENSOR DECISION

#### No breach of indicators

- a) The Licence Applicant must be sanctioned if it does not submit future financial information that meets the minimum requirements for the content within the defined deadline. The criteria must be failed if:
  - i. The all of the required documents as required by the Regulations (cf. Articles 1.7.1 and 1.7.3) are not submitted to the Licensor within the defined deadline;
  - ii. If the submitted documents do not contain the minimum required information as per the Regulations;

- iii. If the submitted documents are not in accordance to the format required in the Regulations.

#### **Breach of indicators**

- a) The Licence must be refused if:
  - i. The all of the required documents as required by the Regulations (cf. Articles 1.7.1 and 1.7.3) are not submitted to the Licensor within the defined deadline;
  - ii. If the submitted documents do not contain the minimum required information as per the Regulations;
  - iii. If the submitted documents are not in accordance to the format required in the Regulations.
  - iv. based on the historic financial information and future financial information, in the Licensor's judgement, the applicant may not be able to continue as a going concern until at least the end of the season to be licenced.
- b) If, in the Licensor's judgement, the Licence Applicant is in breach of any indicator then, subsequent to the licensing decision, the licensee must also fulfill criterion F.08 (Duty to update future financial information), as set out in Article 1.9.

### **1.7.6 RELEVANT APPENDICES**

- **UAE Pro League Club Licensing Financial Handbook:**
  - Budgeted Profit and Loss Statement (Appendix 6a)
  - Reconciliation of financial resources linked to Sporting Criteria S.02: Youth Development Program (Appendix 6a.1)
  - Budgeted Cash Flow Statement (Appendix 6b)
  - Explanatory notes template (Appendix 6c)
  - Representation letter by Management (Appendix 6d)
- **AFC Club Licensing Financial Handbook (Guidance Notes):**
  - GUIDANCE NOTE 1 – Minimum Disclosure Requirements for the Financial Statements
  - GUIDANCE NOTE 14 – Future Financial Information
- **AFC Club Licensing Financial Handbook Reference Library:**

Relevant Documents:

- Financial Information Extracts: Illustration of Agreement or Reconciliation Between Different Types of Information Supplied by Licence Applicants (Document XIX)
- Future Financial Information: Commentary on Preparation (Document XX)
- Illustrative Future Financial Information (Document XXI)
- Indicators: Guidance on Interpretation of IND.03 in Respect of Net Assets/Liabilities (Document XXII)
- Future Financial Information: Commentary on Possible Additional Assessment Procedures in Respect of Future Financial Information and Updated Future Financial Information (Document XXIII)

Relevant Templates:

- Future Financial Information: Illustrative Future Financial Information Letter (Template 19)
- Future Financial Information: Illustrative Budgeted Profit and Loss Statement (Template 20)
- Future Financial Information: Illustrative Budgeted Cashflow Statement Direct Method (Template 21)

## 1.8 CRITERION F.07: DUTY TO NOTIFY SUBSEQUENT EVENTS

Unless mentioned specifically, the requirements in Articles 1.8.1 to 1.8.3 are mandatory and constitute the minimum requirements for the Licence Applicant to fulfill criterion F.07.

### 1.8.1 THE CRITERION

No.	Description	Grade
F.07	<b>DUTY TO NOTIFY SUBSEQUENT EVENTS</b>	<b>A</b>
<p>Following the licensing decision by the decision-making body, the licensee must promptly notify the Licensor in writing about any subsequent events that may cast significant doubt upon the licensee's ability to continue as a going concern until at least the end of the season for which the Licence has been granted, within seven (7) working days of becoming aware of such an event.</p> <p>Examples of events or conditions which, individually or collectively, may be considered of major economic importance are listed above under Article 1.6.3.</p> <p>Compliance with this criterion shall be assessed by the Licensor in respect of the following licensing cycle.</p> <p><b>Documents to be submitted:</b></p> <ol style="list-style-type: none"> <li>Official letter informing the Licensor of any event (refer to Article 1.6.3 for list of examples) that casts significant upon the licensee's ability to continue as a going concern up to the end of the season for which the Licence has been granted, sent within seven (7) working days of becoming aware of such an event.</li> </ol>		

### 1.8.2 REPORTING PERIOD

After it has been issued a Licence, up until the end of the season for which the Licence has been granted, the licensee must promptly notify the Licensor in writing of any subsequent event (refer to Article 1.6.3 for a list of such events) that may cast significant doubt upon the licensee's ability to continue as a going concern up to the end of the season for which the Licence has been granted. The Licensor must receive notification within seven (7) working days of Licence Applicant becoming aware of any such event.



At any time, the Licensor may request information and/or written representations from management about any possible such events or conditions.

### **1.8.3 MINIMUM INFORMATION AND DOCUMENTS TO BE SUBMITTED BY THE LICENCEE**

The information prepared by management must include a description of the nature of the event or condition and an estimate of its financial effect, or a statement (with supporting reasons) that such an estimate cannot be made. The Licensor may request additional information and/or representations from management.

Some examples of events or conditions which, individually or collectively, may cast significant doubt about the licensee's ability to continue as a going concern until at least the end of the season for which the Licence has been granted are listed in Article 1.6.3.

The letter must be on the licencees' letter head, signed by the licencees' CEO.

### **1.8.4 ASSESSMENT PROCEDURES BY THE LICENSOR**

The Licensor shall assess whether or not:

- a) The relevant document / information had been submitted to the Licensor within seven (7) working days of the said event;
- b) The event / events has / have any implication on the licencees ability to continue as a going concern until the end of the season to be Licence.

### **1.8.5 LICENSOR DECISION**

Compliance with criterion F.07 shall be assessed by the decision-making bodies in respect of the following licensing cycle.

The licensee must be sanctioned if any subsequent event that may cast significant doubt about the licensee's ability to continue as a going concern until at least the end of the season for which the Licence has been granted, is not notified to the Licensor within seven (7) working days of the said event.

## 1.8.6 RELEVANT APPENDICES

- **UAE Pro League Club Licensing Financial Handbook:**

- Management representations letter template (Appendix 5)

- **AFC Club Licensing Financial Handbook (Guidance Notes):**

- GUIDANCE NOTE 13 – Management Representation Letter

- **AFC Club Licensing Financial Handbook Reference Library:**

Relevant Documents:

- Illustrative Management Representations Letter to Licensor (Document XVIII)

Relevant Templates:

- Illustrative Management Representations Letter to Licensor (Template 18)

## 1.9 CRITERION F.08: DUTY TO UPDATE FUTURE FINANCIAL INFORMATION

Unless mentioned specifically, the requirements in Articles 1.9.1 to 1.9.3 are mandatory and constitute the minimum requirements for the Licence Applicant in order to fulfill criterion F.08.

### 1.9.1 THE CRITERION

No.	Description	Grade
F.08	DUTY TO UPDATE FUTURE FINANCIAL INFORMATION	A
<p>If the licensee is in breach of one or more of the below indicators, then the licensee must prepare and submit an updated version of the future financial information (prepared according to criterion F.06). In addition, the prepared information shall include a comparison of budget to actual figures including explanations of variances. The updated version of the future financial information must be prepared, as a minimum, on a six-month basis.</p> <p>a) <b>Indicator 1:</b> Going Concern for Annual period</p> <p>The auditor's report in respect of the Audited Annual Financial Statements submitted in accordance with Finance Criteria F.01 includes an emphasis of matter or a qualified opinion/conclusion in respect of Going Concern. (cf. Article 1.2.6).</p> <p>b) <b>Indicator 2:</b> Going Concern for Interim period</p> <p>The auditor's report in respect of the Reviewed or Audited Interim Financial Statements submitted in accordance with Finance Criteria F.02 includes an emphasis of matter or a qualified opinion/conclusion in respect of Going Concern. (cf. Article 1.3.6).</p> <p>c) <b>Indicator 3:</b> Negative equity for Annual period</p> <p>The Audited Annual Financial Statements (including, where required, the Supplementary Information) submitted in accordance with Finance Criteria F.01 disclose a net liabilities position that has deteriorated relative to the comparative figure contained in the previous year's Annual Financial Statements. (cf. Article 1.2.3.5 and Document XXII of the AFC Club Licensing Financial Handbook Reference Library).</p> <p>d) <b>Indicator 4:</b> Negative equity for Interim period</p> <p>The Reviewed or Audited Interim Financial Statements submitted in accordance with Finance Criteria F.02 (including, where required, the Supplementary Information) disclose a net liabilities position that has deteriorated relative to the comparative figure at the</p>		

preceding Statutory Closing Date. (cf. Article 1.3.3.2 and Document XXII of the AFC Club Licensing Financial Handbook Reference Library).

The updated future financial information shall be prepared as a minimum on a six month basis, and meet the minimum disclosure requirements defined by this Financial Handbook.

Compliance with this criterion shall be assessed by the Licensor in respect of the following licensing cycle.

#### **Documents to be submitted:**

In the event one of the criterion F.06 indicators has been triggered, the Licence Applicant must submit updated financial statements for the following:

- i. Updated budgeted financial statements for the two year period, starting 1 July 2025 and ending 30 June 2027, including:
  - a. Updated Budgeted Profit and Loss Statement (see Appendix 8a);
  - b. Updated Budgeted Cash Flow Statement (see Appendix 8b);
- ii. Explanatory notes, including assumptions and risks and comparison of Budget to actual figures. There must also be a statement that the Future Financial Information has been prepared on a consistent basis with the preceding Audited Annual Financial Statements and a summary of the significant deviations between the Budget and actual figures. (see Guidance Note 15 of the AFC Club Licensing Financial Handbook )
- iii. Representation letter by Management (see Appendix 8c).

### **1.9.2 REPORTING PERIOD**

The licensee must prepare, as a minimum, updated future financial information on a six-month basis; e.g. in respect of the period from the interval date of 1 July and 31 December of the licensing season through to 30 June of the following year.

The updated future financial information must be submitted to the Licensor within the set deadlines. The deadline for submission of the updated future financial information must be no later than three months after each of the interval dates.

### 1.9.3 MINIMUM INFORMATION AND DOCUMENT TO BE SUBMITTED BY THE LICENCEE

#### 1.9.3.1 MINIMUM DISCLOSURE REQUIREMENTS FOR THE UPDATED FUTURE FINANCIAL INFORMATION

The licensee must prepare and submit updated future financial information consisting of:

- a) Budgeted profit and loss account;
- b) Budgeted cash flow statement; and
- c) Explanatory notes, including assumptions and risks and comparison of budget to actual figures. There must also be a statement that the future financial information has been prepared on a consistent basis with the preceding audited annual financial statements and a summary of the significant deviations between the budget and actual figures.
- d) Representation letter by Management.

To comply with criterion F.08, the licensee must prepare and submit the same minimum level of detail in the future financial information schedules as set out in Article 1.7.3 above. This Financial Handbook does not prescribe the basis for recognition or measurement of transactions and other events and does not prescribe the basis for determining reasonable assumptions.

The comparative financial information that must be included within the updated future financial information schedules is described below in Article 1.9.3.2.

In addition, the following information shall be disclosed:

- a) The name (and legal form) of the reporting entity and any change in that information from the preceding statutory closing date;
- b) Whether the financial information covers the individual entity or a group of entities or some other combination of entities; and
- c) The presentation currency.

The updated future financial information must be based on assumptions that are not unreasonable.

The updated future financial information, together with the assumptions upon which they are based, must be approved by highest decision-making body of the Licence Applicant

and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the Licence Applicant.

All pages of the budgets and document submitted must be signed by the Licence Applicant's Finance Director/Officer (as declared in criterion P.04) and the Licence Applicant's CEO. If budgets and documents are not prepared on the letterhead of the Licence Applicant, then the stamp of the Licence Applicant must appear on every page of the documents to be submitted.

### **1.9.3.2 COMPARATIVES DISCLOSURE REQUIREMENTS FOR THE UPDATED FUTURE FINANCIAL INFORMATION**

The updated future financial information schedules must also include, as a minimum:

- a) The original budgeted profit and loss account and cash flow figures in respect of the six-month period immediately preceding the interval date (as submitted in accordance with criterion F.06);
- b) The actual profit and loss account and cash flow figures for the six-month period immediately preceding the interval date; and
- c) The difference between the budgeted and actual figures for the six-month period immediately preceding the interval date. That is, brief explanations of significant differences between the budgeted and actual results for the preceding six month period (e.g. ending 30 June or 31 December, as appropriate).

For an illustrative summary of the updated future financial information to be prepared by the relevant licencees at each interval date see Appendix XXIV of the AFC Club Licensing Financial Handbook.

For the following licensing cycle, some of the information requirements for criteria F.06 and F.08 may coincide and duplication of information should be avoided.

### **1.9.4 ASSESSMENT PROCEDURES BY THE LICENSOR**

In respect of criterion F.08, there is no requirement for the updated future financial information prepared and submitted by the licensee to be subject to assessment procedures by an independent auditor.

The Licensor may choose to perform or request performance by the applicant's independent auditor of any reasonable assessment procedures it believes are necessary in relation to the matters notified to the Licensor.

If an auditor is used, the auditor selected by the licensee for criterion F.08 should be the same as the auditor who carried out the audit of the preceding annual financial statements.

The Licensor shall read and consider the future financial information provided to it.

The Licensor may request any additional information it believes is necessary.

### 1.9.5 LICENSOR DECISION

Compliance with criterion F.08 shall be assessed by the decision-making bodies in respect of the following licensing cycle.

For the following licensing cycle, the licensee must be sanctioned:

- a) If the updated all documents (cf. Article 1.9.1) for the future financial information is not submitted within the defined deadline;
- b) If the licensee submits information that does not meet the minimum information requirements for the content (as set out in Article 1.9.3).
- c) If the licensee does not submit further information and/or representations from management regarding its plans for the future, if such information/representations have been requested by the Licensor, or if such information/representations are not complete.

### 1.9.6 RELEVANT APPENDICES

- **UAE Pro League Club Licensing Financial Handbook:**
  - Updated Budgeted Profit and Loss Statement (Appendix 8a)
  - Updated Budgeted Cash Flow Statement (Appendix 8b)
  - Representation letter by Management (Appendix 8c)
- **AFC Club Licensing Financial Handbook (Guidance Notes):**
  - GUIDANCE NOTE 15 – Updated Future Financial Information

▪ **AFC Club Licensing Financial Handbook Reference Library:**

Relevant Documents:

- Future Information Extracts: Illustration of Agreement or Reconciliation Between Different Types of Information Supplied by Licence Applicants (Document XIX)
- Future Financial Information: Commentary on Possible Additional Assessment Procedures in Respect of Future Financial Information and Updated Future Financial Information (Document XXIII)
- Updated Future Financial Information: Summary of Information to be Provided as Part of the Updated Future Financial Information. (Document XXIV)

Relevant Templates:

- Updated Future Financial Information: Illustrative Budgeted Profit and Loss Statement. (Template 22)
- Updated Future Financial Information: Illustrative Budgeted Cashflow Statement Direct Method. (Template 23)



## 1.10 CRITERION F.09: APPOINTMENT OF AUDITOR(S)

Unless mentioned specifically, the requirements in Articles 1.10.1 to 1.10.3 are mandatory and constitute the minimum requirements for the Licence Applicant in order to fulfill criterion F.09.

### 1.10.1 THE CRITERION

No.	Description	Grade
F.09	<b>APPOINTMENT OF AUDITOR(S)</b>	<b>A</b>
<p>The Licence applicant must submit to the Licensing Administration a copy of their auditor appointment letter and eligibility &amp; consent letter by auditor and/or signed engagement contract with the auditor, in addition to the documentary evidence of qualification and eligibility (required only if the auditor is not an internationally recognized company).</p> <p>In the event that multiple auditors are required to audit separate entities of the Licence Applicant or its parent entity, then copies of all auditor appointment letters and/or all signed engagement contracts should be submitted.</p> <p>The auditor must have his name entered in the list of auditors in compliance with the provisions of UAE Federal Law No. (12) for the year 2014 Concerning Auditing Profession which repealing the old UAE Federal Law No. (22) for the year 1995 (as amended).</p> <p><b>Documents to be submitted:</b></p> <ul style="list-style-type: none"> <li>i. Auditor(s) appointment letter (see article 1.10.3.1 and Appendix 9a)</li> <li>ii. Eligibility and consent letter by auditor(s) (see article 1.10.3.2 and Appendix 9b)</li> <li>iii. Signed engagement contract with the auditor. Submission of engagement contract exempts the Licence applicant from points i and ii mentioned above as long as it covers minimum required information.</li> <li>iv. Documentary evidence of qualification and eligibility. Required only if the auditor is not an internationally recognized company.</li> </ul>		

### 1.10.2 REPORTING PERIOD

Auditor appointment letters and/or signed engagement contract with the auditor should cover the following periods:

- Financial year starting on 1 July 2024 and ending 30 June 2025 and;
- Interim period from 1 July 2025 to 31 December 2025.

### **1.10.3 MINIMUM INFORMATION AND DOCUMENTS TO BE SUBMITTED BY THE LICENCE APPLICANT**

#### **1.10.3.1 AUDITOR(S) APPOINTMENT LETTER**

Each Licence Applicant must submit to the Licensor an auditor(s) appointment letter.

The letter must contain the following minimum information:

- a) Legal entity/entities covered by the engagement
- b) The period(s) covered by the engagement
- c) Agreed upon fees

The letters must be prepared on the Licence Applicant's official letter head and stamped with the official seal of the Licence Applicant. The letters must be approved by the board of directors.

Appendix 9a provides an illustration of the auditor(s) appointment letter.

#### **1.10.3.2 ELIGIBILITY AND CONSENT LETTER**

The Licence Applicant must submit to the Licensor a copy of the auditor's response to the appointment letter and must include at a minimum, the following:

- a) Whether the auditor accepts or refuses the engagement.
- b) Qualification and eligibility to perform the audit.
- c) Positive confirmation that the auditor is in compliance with the provisions of UAE Federal Law No. (12) for the year 2014 Concerning Auditing Profession which repealing the old UAE Federal Law No. (22) for the year 1995 (as amended).
- d) Documentary evidence of qualification and eligibility (i.e. Entry number in the Schedule of Auditors, registration certificate and/or Licence to practice the profession).

The letter must be prepared on the auditor's official letter head and stamped with their official seal.

Appendix 9b provides an illustration of the eligibility and consent letter.

#### 1.10.4 ASSESSMENT PROCEDURES BY THE LICENSOR

The Licensor must assess the information submitted by the Licence Applicant, and other corresponding supporting documents, as detailed below.

- a) Did the Licence Applicant submit all required document/information within the deadline?
- b) Do the submitted documents / information contain the minimum required information and signatories as per Regulations?
- c) Obtain and compare information of the signed engagement contract signed by both parties to the documents submitted, when applicable.

#### 1.10.5 LICENSOR DECISION

The Licence must be refused:

- a) If the required documents as per regulations (articles 1.10.3.1 and 1.10.3.2) are not submitted to the Licensor within the defined deadline;
- b) If submitted documents do not contain the minimum information and/or the required signatories.

#### 1.10.6 RELEVANT APPENDICES

- **UAE Pro League Club Licensing Financial Handbook:**
  - Auditor(s) appointment letter (Appendix 9a).
  - Eligibility and consent letter by auditor (Appendix 9b)

