



**SOUTH AFRICAN
FOOTBALL ASSOCIATION**

SAFA REGULATIONS

CLUB LICENSING

Approved by the SAFA National
Executive Committee

18 August 2012

(Extraordinary Congress of 23 August 2013 deferred this Regulation to a
Special Congress for consideration)



Article 1: **OBJECTIVES OF THE CLUB LICENSING SYSTEM**

The club licensing system has the following overall objectives in accordance with the decision taken by the FIFA Congress in Munich in 2006:

- 1.1 safeguarding the credibility and integrity of club competitions;
- 1.2 improving the level of professionalism within the football family;
- 1.3 promoting sporting values in accordance with the principles of fair play as well as safe and secure match environments;
- 1.4 promoting transparency in the finances of clubs;
- 1.5 promoting transparency in the ownership of clubs; and
- 1.6 promoting transparency in the control of clubs.

Article 2: **LICENSOR**

2.1 Introduction

This chapter defines the licensor and the decision-making bodies.

2.2 Definition of Licensor

2.2.1 Principle

2.2.1.1 The South African Football Association is the Licensor.

2.2.1.2 The Licensor shall govern the licensing system, appoint the corresponding licensing bodies and determine the necessary processes.

2.2.1.3 The Licensor guarantees the Licensee full confidentiality with regard to all information given by the Licence Applicant during the licensing process. Anyone involved in the licensing process or appointed by the licensor must sign a confidentiality clause before commencing its tasks.

2.2.2 Decision-making bodies

2.2.2.1 The Licensor shall establish an appropriate administration and appoint qualified staff members.

2.2.2.2 The Licensor shall establish two decision-making bodies, the names of which it shall determine:

- a) first-instance body (FIB);
- b) appeals body (AB).

2.2.2.3 The decision-making bodies shall be independent from each other. They shall receive administrative support from the administration of the Licensor. A member of a decision-making body must in all cases automatically abstain

if there is any doubt as to his/her independence towards the Licence Applicant or if there is a conflict of interest. In this connection, the independence of a member may not be guaranteed if he/she or any member of his/her family (spouse, children, parents, siblings) is a member, shareholder, business partner, sponsor or consultant, etc. of the licence applicant. The foregoing list is illustrative and not exhaustive.

2.2.3 *First-instance body (FIB)*

2.2.3.1 The FIB shall decide on whether a licence shall be granted to an applicant on the basis of the documents provided and in accordance with the provisions of these regulations at the submission deadline set by the Licensor.

2.2.3.2 Unless provided otherwise by the statutes, the SAFA Council shall decide on the composition of this body.

2.2.3.3 The Licensor shall decide on the quorum of the FIB. The quorum must be a minimum of three members. The chairman shall have the casting vote.

2.2.3.4 In the case of a licence refusal, the decision must be put in writing and include the reasons.

2.2.3.5 Members of the FIB may not belong simultaneously to any judicial body/committee of the Licensor and must act impartially in the discharge of their duties.

2.2.3.6 The Licensor may nominate its administrative staff and administrative staff of the League as members of the FIB, with the exception of the licensing manager, who may not be a member of the FIB.

2.2.3.7 The SAFA Council shall decide if the members of the FIB are elected or appointed.

2.2.4 *Appeals body (AB)*

2.2.4.1 The AB shall decide on appeals submitted in writing and make a final and binding decision on whether a licence shall be granted or not.

2.2.4.2 Appeals may only be lodged by:

- a) the Licence Applicant following a refusal by the FIB;
- b) the Licensor, the competent body of which must be defined (e.g. licensing manager).

2.2.4.3 The AB shall make its decision based on the decision of the FIB and all the evidence provided by the Licence Applicant or Licensor with its written request for appeal within the deadline determined in the appeal procedure

by the chairman of the AB. Any further evidence submitted to the AB at a later stage shall not be taken into account.

2.2.4.4 In the case of a licence refusal, the decision must be put in writing and include the reasons.

2.2.4.5 The Licensor shall decide whether the club licensing system comes under the jurisdiction of the arbitration specified in its statutes. In this respect, particular attention shall be paid to the relevant deadlines for entering confederation club competitions.

2.2.4.6 Unless otherwise provided by the statutes, the SAFA Council shall decide on the composition of the AB.

2.2.4.7 The Licensor shall decide on the quorum for the decisions of the AB. The quorum must be a minimum of three members. The chairman shall have the casting vote.

2.2.4.8 Administrative staff of the Licensor and the League may not be members of the AB.

2.2.4.9 Members of the AB may not simultaneously be members of any other judicial body/committee of the Licensor.

2.2.4.10 The SAFA Council shall decide if the members of the AB are elected or appointed.

2.2.5 *Decision-making procedure*

2.2.5.1 In the Licensor's regulations or in a specific regulation, the Licensor shall define procedural rules with respect to decision-making. These shall, as a minimum, regulate the following standards:

- a) deadlines (e.g. submission deadlines);
- b) the principle of equal treatment;
- c) representation (e.g. legal representation);
- d) the right to be heard (e.g. convocation, hearing);
- e) official language(s);
- f) time limit to issue a request (e.g. calculation, compliance, interruption and extension thereof);
- g) time limit to appeal;
- h) effect of the appeal;
- i) type of evidence requested;
- j) burden of proof (e.g. Licence Applicant has burden of proof);
- k) decisions (in writing with reasons, etc);
- l) grounds for complaint;
- m) content and form of pleadings;

- n) deliberation and hearings;
- o) cost of procedure, administrative fee and deposit.

Article 3: **LICENCE APPLICANT AND LICENCE**

3.1 Introduction

This chapter defines the legal entity that must apply for the licence and the licence to enter confederation and/or national club competitions. The legal entity applying for a licence is called the Licence Applicant. Once the Licence Applicant has been granted a licence by the Licensor it becomes a Licensee. For the purpose of this chapter only, the term Licence Applicant is used.

3.2 Circle of Licence Applicants

3.2.1 Authority to define Licence Applicants

- 3.2.1.1 The Licensor defines the Licence Applicants according to its statutes and regulations and the following provisions. This may be regulated in these regulations and/or in the statutes of the Licensor and/or in other specific regulations. Furthermore, FIFA and CAF statutes as well as relevant regulations must also be taken into account (e.g. FIFA Regulations on the Status and Transfer of Players).

3.3 Definition of Licence Applicant

3.3.1 Principle

- 3.3.1.1 The Licence Applicant is defined as being the legal entity fully responsible for the football team which participates in national and international club competitions and which is a member of the Licensor.
- 3.3.1.2 The status of a football club (professional, semi-professional or amateur) is not relevant to the issue of a licence.
- 3.3.1.3 The legal form of a football club is not relevant to the issue of the licence in accordance with Licensor's statutes and law.
- 3.3.1.4 Only a registered member of the Licensor may apply for/receive a licence. Natural persons may not apply for/receive a licence.
- 3.3.1.5 The Licence Applicant is fully responsible for participation in national and international football competitions as well as the fulfilment of the club licensing criteria.
- 3.3.1.6 The Licence Applicant is, in particular, responsible for ensuring the following:

- a) that all players are registered with the Licensor and/or the League and, if professional players, that they have a written employment contract with a registered club;
- b) that all the compensation paid to the players arising from contractual or legal obligations and all the revenues arising from gate receipts are accounted for in the books of the registered club;
- c) that the Licence Applicant is fully responsible for the football team composed of registered players participating in national and international competitions;
- d) that the Licensor is provided with all necessary information and/or documents relevant to proving that the licensing obligations are fulfilled. These obligations relate to the sporting, infrastructure, personnel and administrative and legal and financial criteria set out under articles 5-9, respectively;
- e) that the Licensor is provided with information on the reporting entity/entities in respect of which sporting, infrastructure, personnel and administrative and legal and financial information is required to be provided. In turn, the Licensor must assess whether, in respect of each Licence Applicant, the selected reporting entity/entities is/are appropriate for club licensing purposes.

3.3.1.7 In addition to the above-mentioned mandatory provisions, it is recommended that the Licence Applicant:

- a) is based legally in the territory of the Licensor and plays its home matches only in that territory. The Licensor may define exceptions, subject to the approval of FIFA and CAF;
- b) has the right to use the name and the brands of the club and does not change the name of the club for advertising/promotional purposes;
- c) accepts no clauses in contracts with television, sponsors or other commercial partners that could restrict the club in its freedom of decision or affect its management.

3.4 Licence

3.4.1 *Principle*

3.4.1.1 Licences must be issued according to the provisions of the accredited Licensor's regulations.

3.4.1.2 The Licensor must issue an invitation to the football clubs to apply for a licence punctually and in writing. The club applying for a licence must submit a written application to the Licensor. In this application, the club must, in particular, declare that it shall fulfil the obligations of the licensing system.

- 3.4.1.3 Only clubs which fulfil the criteria set in the accredited Licensor's regulations by the relevant deadline and that have qualified on the basis of their sporting results may be granted a licence by the Licensor to enter the confederation/national club competitions of the coming season.
- 3.4.1.4 A licence expires without prior notice at the end of the season for which it was issued.
- 3.4.1.5 A licence may be withdrawn by the national decision-making bodies during a season if:
- a) for any reason a Licensee becomes insolvent and enters into liquidation during the season, as determined by the applicable national law (where a licensee becomes insolvent but enters administration during the season, the licence should not be withdrawn as long as the purpose of the administration is to rescue the club and its business);
 - b) any of the conditions for the issue of a licence are no longer satisfied; or
 - c) the licensee violates any of its obligations under the Licensor's regulations.
- 3.4.1.6 As soon as a licence withdrawal is envisaged, the Licensor must inform CAF.
- 3.4.1.7 A licence may not be transferred.
- 3.5 Extraordinary application of the club licensing system for entering CAF club competitions**
- 3.5.1 *Principle*
- 3.5.1.1 If a club qualifies for a CAF club competition based on its sporting results but has not undergone a national licensing process at all or has undergone a licensing process which is lower/not equivalent to the one applicable to top-division clubs because it belongs to a division other than the top division, the Licensor may – on behalf of such a club – request the extraordinary application of the club licensing system.
- 3.5.1.2 In practice, such a club could for example be the winner or the runner-up of the main domestic cup or league cup playing in a division other than the top division.
- 3.5.1.3 Based on such an extraordinary application, CAF may grant special permission to enter the corresponding club competition which only applies to that specific applicant and for the season in question.
- 3.5.2 *Procedure*
- CAF shall define the relevant procedure.

Article 4: CORE PROCESS

4.1 Introduction

This article defines the assessment process (hereinafter referred to as “core process”) of the club licensing system.

4.1.1 Principle

The Core Process describes the minimum requirements that the Licensor must put in place for the verification of the criteria described in the FIFA regulations (sporting criteria, infrastructure criteria, personnel and administrative criteria and legal criteria and financial criteria) in order to control the issue of a licence to a Licence Applicant. The Core Process must, as a minimum, fulfil the following requirements:

- a. The deadlines for submission of the licensing documentation must be clearly defined and communicated;
- b. The fulfilment of each set of criteria by the Licence Applicant must be verified by suitably qualified staff acting for the Licensor;
- c. The decision-making process must be based on a two-step approach (i.e. first-instance and appeal);
- d. The decision-making bodies must fulfil the requirements of qualification, independence and confidentiality;
- e. The Licensor shall submit to CAF the list of licensed clubs by the relevant deadline. CAF shall submit to FIFA the list of licensed clubs upon request by FIFA.

Article 5: **SPORTING CRITERIA**

5.1 Introduction

For the future of football it is absolutely necessary to have a broad base of footballers available who have the necessary skills and motivation to become professional players. Therefore, it is important to foster youth development programmes and to attract into football more and better-educated boys and girls who not only play the game but are also supporters.

5.2 Objectives

The objectives of the sporting criteria are that Licence Applicants:

- a. invest in quality-driven youth development programmes;
- b. support football education and encourage non-football education of their youth players;
- c. foster medical care of their youth players;
- d. practise fair play on and off the pitch.

5.3 Benefits for clubs

The first and main advantage of the sporting criteria is to “produce” football talents for the club’s first-team squad every year. They also normally fit more easily and quickly into the first-team squad since they have partly trained with them, know their tactics and speak the same language. They lack only experience. Under the FIFA transfer system, clubs that have trained players younger than 23 who are then transferred internationally receive financial compensation. Clubs will thus receive a return on their investment if they train young players. Programmes for improving relations and respect between coaches, officials, players and referees support the idea of fair play on and off the pitch. The image of the players and clubs will improve and on the other hand, fines for disciplinary sanctions can be reduced.

5.4 **Criteria**

5.4.1 *“A” criteria*

5.4.1.1 A: Approved youth development programme

The Licence Applicant must have a written youth development programme approved by the Licensor. This education programme must include at least the following:

- a) objectives and youth development philosophy;
- b) organisation of youth sector (organisational chart, bodies involved, relation to licence applicant, youth teams, etc.);
- c) personnel (technical, medical and administrative, etc.) and required minimum qualifications;
- d) infrastructure available for youth sector (training and match facilities, etc.);
- e) financial resources (available budget, contribution by Licence Applicant, players or local community etc.);
- f) a football education programme for the different age groups (playing skills, technical, tactical and physical);
- g) an educational programme on the Laws of the Game;
- h) medical support for youth players (including medical checks).

The youth development programme must further show the Licence Applicant’s commitment to and support of mandatory and complementary school education for youth players.

5.4.1.2: Youth teams

The Licence Applicant must have at least the following youth teams within its legal entity or affiliated to its legal entity:

- a) at least one youth team within the age range of 15 to 21;
- b) at least one youth team within the age range of 10 to 14.

Article 6: **INFRASTRUCTURE CRITERIA**

6.1 Introduction

The criteria and requirements contained in this section are based mainly on the following documents:

- a. the Laws of the Game;
- b. the FIFA book *Football Stadiums – Technical Recommendations and Requirements*.

On the basis of these documents as well as long-standing experience, strict minimum requirements have been established and are described in the following pages. Because the infrastructure criteria should be seen as long-term investments, several recommendations have been introduced which must be taken into consideration if a stadium is to be built or renovated in the short term (one to three years). These recommendations will probably be essential requirements for stadiums one day. Therefore, it would be appreciated if the recommendations were either already incorporated into the stadium planning or stadium adaptations began right away in order to improve quality standards on a voluntary basis. The national law also needs to be taken into consideration when establishing the stadium and security requirements.

6.2 Objectives

The objectives of the following infrastructure criteria are that Licence Applicants:

- a. have an approved stadium available for playing club competition matches that provides spectators and media and press representatives with a well-equipped, well-appointed and safe and comfortable stadium;
- b. have suitable training facilities for their players to help them improve their technical skills.

6.3 Benefits for clubs

It is appreciated that nowadays people only follow events that are attractive, entertaining and are worth spending a certain amount of money on. A match between two football teams is no longer enough to bring people into a football stadium to watch a match live. Therefore, each club, together with the stadium owner and the local community, should try to provide a stadium that is attractive to visit, safe and secure, easily accessible by car (including parking facilities) and/or public transport, has comfortable seats with a close view of the pitch, clean hospitality facilities and shops, is equipped with hygienic and spacious toilets for both sexes, provides communication installations (loudspeakers and a video screen) and, finally, also offers interesting and exciting football on the pitch. Finally, the comfort of a stadium is an important element in terms of having a large crowd to support the teams on the pitch.

6.4 Criteria

6.4.1 "A" criteria

6.4.1.1: Stadium – Certification

The stadium must be certified. The certification is defined according to national/municipal law and must include provisions related to safety and an evacuation plan. If such law does not exist, the Licensor shall establish the content of the stadium certificate and the procedure in close cooperation with the appropriate body/bodies (e.g. local security authorities, the local hospital, fire brigade, police, etc.). The certificate issued by the appropriate body must not be older than two years at the beginning of the new club competition season.

6.4.1.2: Stadium – Control Room

Each stadium must have a control room which ensures an overall view of the inside of the stadium in accordance with the provisions of the applicable law or according to the requirements of the Licensor, in consultation with the appropriate civil body (e.g. local police).

6.4.1.3: Stadium – Capacity

The minimum capacity of the stadium shall be determined according to the average demand in the domestic championship.

6.4.1.4: Stadium – Availability

The Licence Applicant must have a stadium available to host club competitions.

Alternative 1: The Licence Applicant legally owns the stadium.

Alternative 2: The Licence Applicant may provide a written contract with the owner of a stadium or with owners of different stadiums it will use within the territory of the Licensor. This contract guarantees the use of the stadium for home matches in the coming season for which the club qualifies in sporting terms.

6.4.1.5: Stadium – Floodlighting

For evening matches, the stadium must be equipped with floodlight installations which comply with the standard values set by CAF.

6.4.1.6: Stadium – Spectator Areas

Each stand within the stadium must be capable of being divided into separate sectors according to the requirements of the local security authorities or, if no such requirements exist, those of the Licensor.

6.4.1.7: Stadium – First Aid Rooms and Stadium Doping Control Room

Each stadium must be equipped with first aid room(s) to care for spectators in need of medical assistance. This must be done in accordance with local authority regulations, otherwise the Licensor shall determine the exact number, size and location of the first aid room(s) in consultation with the appropriate civil body (e.g. local authorities for security and health). The doping control room must be near to the teams' and referees' dressing rooms and inaccessible to the public and the media.

6.4.1.8: Field of Play – Specification

The field of play must comply with the Laws of the Game and be:

Alternative 1: Natural grass;

Alternative 2: Artificial turf (according to the FIFA quality standards), subject to the relevant approvals.

6.4.2 *“B” criteria*

6.4.2.1: Stadium – Ground Rules

Each stadium must issue stadium ground rules and affix them to the stadium in such a way that the spectators can read them. These rules must provide information on at least the following:

- a. admission rights;
- b. abandonment or postponement of events;
- c. description of prohibitions and penalties, such as entering the field of play, throwing objects, use of foul or abusive language, racist behaviour, etc.;
- d. restrictions with regard to alcohol, fireworks, banners, etc.;
- e. seating rules;
- f. causes for ejection from the ground;
- g. risk analysis specific to the stadium.

6.4.2.2: Training Facilities – Availability to Club

The training facilities must be available to the club throughout the year.

Alternative 1: The Licence Applicant legally owns the training facilities;

Alternative 2: The Licence Applicant may provide written contract(s) with the owner(s) of the training facilities. This contract guarantees the use of the training facilities for the coming season for all club teams participating in a championship approved by the national/regional association.

6.4.2.3: Stadium – Sanitary Facilities

Each stand must provide sufficient toilet facilities for both sexes in accordance with the local authority regulations or the Licensor’s requirements. These amenities must include washing facilities with at least cold water and a plentiful supply of towels and/or hand dryers. They must be bright, clean and hygienic and a procedure should be established to maintain that condition throughout each event.

6.4.3 *“C” criteria*

6.4.3.1: Stadium – Individual Seats

The stadium must be equipped with individual seats that must be:

- a. fixed (e.g. to the floor);
- b. separate from the others;
- c. comfortable (anatomically formed);

- d. numbered; and
- e. have a backrest of a minimum height of 30cm when measured from the seat.

6.4.3.2: Stadium – Covered Seats

The Licensor shall determine the minimum number of individual seats which must be covered.

6.4.3.3: Stadium – Accommodation of Visiting Supporters

At least five per cent of the certified total stadium capacity must be made available for accommodating visiting supporters in a separate area. This provision is subject to decisions by the competent bodies of the licensor and/or the local authority regarding safety and security (high-risk matches, etc.).

6.4.3.4: Stadium – Signposting and Directions

All public direction signs inside and outside the stadium must be presented in internationally understandable pictographic language. Clear, comprehensive signposting must be provided at the stadium approaches and around and throughout the stadium to point the way to the different sectors.

6.4.3.5: Stadium – Media and Press Facilities

There must be suitable media and press facilities (working room and press conference room). The Licensor shall determine the content of this provision according to the actual needs of its media, taking into consideration the following recommendations, and in consultation with the appropriate media bodies (e.g. media committee):

- a. specific media entrance to the stadium or entrances if there is separate access for photographers and TV personnel;
- b. reception desk or room where late accreditation/media information can be collected;
- c. permanent press seats, equipped with desks big enough to accommodate a laptop computer, a notepad and a telephone;
- d. power supply and phone/modem connections at each desk;
- e. media working room accommodating a minimum of ... persons (unless separate facilities are provided), including photographers (to be determined according to the average demand in the domestic championship);
- f. toilet facilities for both sexes;
- g. press conference room with a suitable number of seats (to be determined according to the average demand in the domestic championship);
- h. press conference room to be equipped with a sound system and split box;
- i. photographers with heavy equipment should have parking spaces available as close to the access point as possible and/or a drop-off point where they can unload equipment from vehicles;
- j. the Licensor determines a minimum number of seats in the press box according to the average demand in its domestic championship.

6.4.3.6: Stadium – Spectators with Disabilities

The Licensor shall set up requirements to accommodate disabled spectators and accompanying persons safely and comfortably.

Article 7: **PERSONNEL AND ADMINISTRATIVE CRITERIA**

7.1 Introduction

Nowadays a football club is not only a sports club but is also in contact with other parties. The members, the supporters, the media, the sponsors, the suppliers, the commercial partners, the local community and, in some cases, the shareholders of the football club are increasingly involved and interested in the development and results of a football club.

Therefore, professional support should be sought from specialists from various economic fields and industries (e.g. marketing, finance, entertainment and media). They can share their knowledge and experience with today's football clubs to better satisfy the needs and demands of participants and stakeholders in football, who must be treated as customers. Football clubs already operate in a competitive environment on the sporting side and they are increasingly becoming involved in an economic competition.

Clubs must strengthen profitability in the long term. Football clubs should look for new and different sources of revenue in addition to the existing ones (TV, gate receipts, sponsors) in order to be more independent of the income from the club's sporting success and have a greater chance of functioning as a financially successful entity. In this respect, football clubs need advice from other professionals, namely experienced, well-educated and innovative people who can bring different skills and know-how into the club and help to satisfy the additional needs and demands of football today.

7.2 Objectives

The objectives of the personnel and administrative criteria are to:

- a. manage licence applicants in a professional way;
- b. make well-educated, qualified and skilled specialists with a certain know-how and experience available to Licence Applicants;
- c. provide the players of the first and other teams with training by qualified coaches and support from the necessary medical staff.

7.3 Benefits for Clubs

Professional, well-educated and experienced staff is of key importance to run a football club in an efficient and effective manner. Being professional at all levels and in all functions does not mean that Licence Applicants must recruit only full-time staff. The focus is on the professional manner in which the persons appointed perform their duties.

Each criterion in this section is really important for the smooth and successful running of the club and every club should be able to afford these staff in financial terms. Professionalism will also be improved if clubs define clear profiles for these staff which include the main activities, the main responsibilities (technical, financial and decision-making power, if applicable) and the requirements for the job (education, work experience, technical know-how, IT skills, human competences, language skills and others including football knowhow).

It is up to the decision-making body of the Licence Applicant to look for people who meet the set requirements and to engage those candidates that comply with the defined profile (e.g. full-time, part-time, voluntary).

Qualified coaches are the basis for high-quality education within the football teams. In order to achieve this objective, Licence Applicants need the support of the Licensor to establish a coach education programme. To improve the football skills of the youth teams as well as the first-team squad in all aspects (technically, tactically and physically), trained and qualified coaches are needed. Each youth player who dreams of becoming a professional footballer is entitled to the best-qualified coaches from the youngest age.

Other skills (e.g. psychological training, media training, social skills and language skills) are necessary and must be achieved through specific training organised by the Licensor with a view to issuing a licence for coaches. This is not only desirable but is a must.

7.4 **Criteria**

7.4.1 *"A" criteria*

7.4.1.1: Club Secretariat

The Licence Applicant must have available office space to run its administration. The required surface of the office(s) and the required minimum technical infrastructure including telephone, fax, internet access and e-mail must be available. The Licence Applicant must have appointed the appropriate number of skilled secretarial staff according to its needs to run its daily business. It must also ensure that its office is open to communicate with the Licensor and the public.

7.4.1.2: General Manager

The Licence Applicant must have appointed a general manager responsible for running its daily business (operative matters). The appointment must have been made by the appropriate body (e.g. executive board) of the Licence Applicant.

7.4.1.3: Finance Officer

The Licence Applicant must have appointed a qualified finance officer responsible for its financial matters, who can be either a person working in the club's administration or an external partner mandated by the club through a written

contract. The appointment must have been made by the appropriate body of the Licence Applicant.

7.4.1.4: Security officer

The Licence Applicant must have appointed a qualified security officer (with a specific diploma or experience) responsible for safety and security matters. The appointment must have been made by the appropriate body of the Licence Applicant.

7.4.1.5: Doctor and Physiotherapist

The Licence Applicant must have appointed at least one doctor and one physiotherapist responsible for providing medical support and advice to the first-team squad as well as doping prevention policy. He must ensure medical support during matches and training. The doctor must be recognised and certified by the appropriate national health authorities and be duly registered with the Licensor or the League.

7.4.1.6: Head Coach of First-Team Squad

The Licence Applicant must have appointed a head coach responsible for the football matters of the first-team squad. The head coach must:

- a) hold the highest available coaching licence of the Licensor or any valid foreign diploma which is equivalent to this one and recognised by CAF as such;
- b) already have started the required education course recognised by the Licensor that will allow him to achieve the required diploma as defined under a) above;
or
- c) hold a “recognition of competence” issued by the Licensor if he has a minimum of five years’ practical experience as head coach at any top or second division club in the association. The head coach must be duly registered with the Licensor or the League.

The appointment of the head coach must have been made by the appropriate body of the Licence Applicant.

7.4.1.7: Head of Youth Development Programme

The Licence Applicant must have appointed a head of youth development programme responsible for running the daily business and the technical aspects of the youth sector. The head of youth development programme must:

- a) hold the second-highest available coaching licence of the Licensor;
- b) already have started the required education course recognised by the Licensor that will allow him to achieve the required diploma as defined under a) above
or;
- c) hold a “recognition of competence” issued by the Licensor if he has a minimum of two years’ practical experience as head of youth development in any top or second-division club in the association.

The head of youth development programme must be duly registered with the Licensor or the League. The appointment of the head of youth development programme must have been made by the appropriate body of the Licence Applicant.

7.4.1.8: Youth Coaches

The Licence Applicant must have appointed at least one coach responsible for all football matters for each mandatory youth team. The youth coach must hold the minimum qualification as defined by the Licensor. He must be duly registered with the Licensor or the League. The appointment must have been made by the appropriate body of the Licence Applicant.

7.4.1.9: Safety and Security Organisation – Stewarding

The Licence Applicant must have established safety and security measures for home matches through the engagement of stewards. For this purpose, it must:

- a) employ stewards;
- b) conclude a written contract with the stadium owner to provide the stewards;
or
- c) conclude a written contract with an external security company to provide stewards.

The Licence Applicant must provide appropriately qualified stewards (internal or external).

7.4.2 *“B” Criteria*

7.4.2.1: Rights and Duties

The rights and duties of the Licence Applicant’s staff members must be defined in writing.

7.4.2.2: Duty to Notify Significant Changes

Any event occurring after the submission of the licensing documentation to the Licensor representing a significant change compared to the information previously submitted relating to the criteria set out above must be notified to the Licensor by the set deadline.

Article 8: **LEGAL CRITERIA**

8.1 **Introduction**

This criteria defines the minimum legal criteria for Licence Applicants. It is of fundamental importance that the sporting integrity of club competitions be protected. To that end, FIFA and CAF reserve the right to intervene and to take appropriate action in any situation in which it transpires that the same natural and legal person is in a position to influence the management, administration and/or

sporting performance of more than one club participating in the same club competition.

8.2 Criteria

8.2.1 "A" criteria

8.2.1.1: Declaration in Respect of Participation in Club Competitions

The Licence Applicant must submit a legally valid declaration confirming the following:

- a) it recognises as legally binding the statutes, rules and regulations and decisions of FIFA, CAF, the Licensor and the League;
- b) it recognises the exclusive jurisdiction of CAS (the Court of Arbitration for Sport in Lausanne) for any dispute of international dimension and in particular involving FIFA and/or CAF;
- c) it recognises the prohibition on recourse to ordinary courts under the FIFA Statutes, the CAF statutes and the Licensor's statutes;
- d) at national level it will play in competitions that are recognised and endorsed by the Licensor (e.g. national championship, national cup);
- e) at continental level it will participate in competitions recognised by CAF. For the avoidance of doubt, this provision does not relate to friendly matches;
- f) it undertakes to abide by and observe the provisions and conditions of the Licensor's regulations;
- g) all submitted documents are complete and correct;
- h) it authorises the competent club licensing authority to examine documents, seek information and, in the event of any appeal procedure, seek information from any relevant public authority or private body in accordance with national law;
- i) it acknowledges that CAF reserves the right to execute spot checks at national level reviewing the assessment process and the decision-making;
- j) it acknowledges that FIFA reserves the right to execute spot checks at national level to review the assessment process and the decision-making in case CAF fails to implement and execute a spot check procedure at national level.

This declaration must be executed by an authorised signatory no more than three months prior to the corresponding deadline for its submission to the Licensor.

8.2.1.2: Statutes and Extract of Register

The Licence Applicant must submit the following information:

- a) a copy of valid statutes;
- b) an extract from a public register (e.g. CIPRO) containing information on the Licence Applicant (such as name, address, legal form, list of authorised signatories and type of required signature).

8.2.1.3: Ownership and Control of Clubs

The Licence Applicant must submit a legally valid declaration outlining the ownership structure and control mechanism of the club and confirming that no natural or legal person involved in the management, administration and/or sporting performance of the club, either directly or indirectly:

- a) holds or deals in the securities or shares of any other club participating in the same competition;
- b) holds a majority of the shareholders' voting rights of any other club participating in the same competition;
- c) has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of any other club participating in the same competition;
- d) is a shareholder and alone controls a majority of the shareholders' voting rights of any other club participating in the same competition pursuant to an agreement entered into with other shareholders of the club in question;
- e) is a member of any other club participating in the same competition;
- f) is involved in any capacity whatsoever in the management, administration and/or sporting performance of any other club participating in the same competition;
- g) has any power whatsoever over the management, administration and/or sporting performance of any other club participating in the same club competition.

This declaration must be executed by an authorised signatory no more than three months prior to the corresponding deadline for its submission to the Licensor.

Article 9: **FINANCIAL CRITERIA**

9.1 **Objectives**

The financial criteria aim principally to:

- a. improve the economic and financial capability of the clubs;
- b. increase clubs' transparency and credibility; and
- c. place the necessary importance on the protection of creditors.

9.2 **Benefits**

Implementation of the financial criteria will help deliver both short and long-term improvements for clubs, the Licensor and the football family, in general.

For the football family in general, the financial criteria should help to:

- a. safeguard the continuity and integrity of competitions;
- b. increase the transparency and credibility of clubs' financial operations;
- c. improve confidence in the probity of the football industry;

- d. create a more attractive market for the game's commercial partners and investors; and
- e. provide the basis for fair competition, because competition is not just about the teams on the pitch.

For the Licensor, the financial criteria should help to:

- a. improve its understanding of the financial position and prospects of its member clubs;
- b. encourage clubs to settle liabilities to creditors on a timely basis;
- c. enhance transparency in the money flow of clubs;
- d. enhance its ability to be proactive in assisting clubs with financial issues; and
- e. provide a starting point for club benchmarking at a national level for those clubs who want to develop this aspect.

For the clubs, the financial criteria should help to:

- a. improve the standards and quality of financial management and planning activities;
- b. enable better management decision-making;
- c. enhance clubs' financial and business credibility with stakeholders;
- d. improve financial stability; and
- e. enhance revenue-generating ability and cost management.

9.3 **Criteria**

The Licensor must ensure that, in respect of the clubs which qualify for club competitions, the following minimum criteria are met. The Licensor may develop additional criteria, information requirements and assessment procedures for implementation in its regulations.

9.3.1: Annual Financial Statements – Audited

Regardless of the legal personality of the Licence Applicant, annual financial statements consisting of a balance sheet, profit and loss account and notes based on the South African Company Laws and Accounting Laws shall be prepared and audited by independent auditors. The financial statements must include the following minimum information in respect of the balance sheet:

Current assets

- i) cash and cash equivalents;
- ii) accounts receivable from player transfers;
- iii) accounts receivable from group entities and related parties;
- iv) accounts receivable – other;
- v) inventories;

Non-current assets

- vi) tangible fixed assets;
- vii) intangible assets – players;

- viii) intangible assets – others;
- ix) investments;

Current liabilities

- x) bank overdrafts and loans;
- xi) accounts payable relating to player transfers;
- xii) accounts payable to group entities and related parties;
- xiii) accounts payable – other;
- xiv) tax liabilities;
- xv) short-term provisions;

Non-current liabilities

- xvi) bank and other loans;
- xvii) other long-term liabilities;
- xviii) tax liabilities;
- xix) long-term provisions;

Net assets/liabilities

- xx) net assets/liabilities;

Equity

- xxi) treasury shares;
- xxii) issued capital and reserves.

The minimum requirements for the content in respect of profit and loss account are as follows:

Revenue

- i) gate receipts;
- ii) sponsorship and advertising;
- iii) broadcasting rights;
- iv) commercial;
- v) other operating income;

Expenses

- vi) cost of sales/materials;
- vii) employee benefits expense;
- viii) depreciation and amortisation;
- ix) impairment of fixed assets;
- x) other operating expenses;

Other

- xi) profit/loss on disposal of assets
- xii) finance costs;
- xiii) tax expense;
- xiv) profit or loss after taxation.

Notes on the annual financial statements shall be presented in a systematic manner. Each item on the face of the balance sheet and profit and loss account shall be cross-referenced to any related information in the notes. The minimum requirements for disclosure in the notes are as follows:

a) *Accounting policies*

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

b) *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.

c) *Ultimate owner*

There must be disclosure of the owner(s) of the Licence Applicant. When the reporting entity is controlled by another party there must be disclosure of the ultimate owner(s) controlling such third party;

d) *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; and

e) *Other disclosure*

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.

9.3.2: No Debts Overdue Towards Football Clubs Arising from Transfer Activities

The Licence Applicant must prove that it has no debts overdue (e.g. final and binding decisions of the Licensor's Dispute Resolution Committee, League Dispute Resolution Committee, FIFA Players' Status Committee, the FIFA Dispute Resolution Chamber and the Court of Arbitration for Sport) towards football clubs arising from transfer activities as at 31 December of the year preceding the season to be licensed, unless by the following 31 March they have been fully settled, deferred by mutual agreement with the creditor or are subject to a not obviously unfounded dispute submitted to a competent authority.

9.3.3: No Debts Overdue Towards Employees and Social/Tax Authorities

The Licence Applicant must prove that, in respect of contractual and legal obligations with its current and former employees (including all professional players according to the applicable Licensor's Regulations, FIFA Regulations on the Status and Transfer of Players, the general manager, the finance officer, the security officer, the doctor and the physiotherapist, the head coach of first-team squad, the head of youth development programme and the youth coaches; list exhaustive), it has no debts overdue towards employees and social/tax authorities as at 31 December of the year preceding the season to be licensed, unless by the following 31 March they have been fully settled, deferred by mutual agreement with the creditor or are subject to a not obviously unfounded dispute submitted to a competent authority.

Article 10: **OBLIGATIONS**

1. CAF shall establish confederation regulations by the 2009-2010 season, at the latest.
2. The Licensor shall then transform CAF regulations into its regulations and implement the club licensing system at national level by the 2010-2011 season, at the latest.
3. CAF shall support the Licensor with the setting up, developing and implementing of the club licensing system at national level.

Article 11: **SPOT CHECKS AND SANCTIONS BY CAF**

1. CAF shall implement a spot-check procedure and carry out spot checks with the Licensor in order to ensure that the licence was correctly awarded at the time of the final and binding decision.
2. FIFA has the right to ask a confederation to carry out a specific spot check.
3. CAF shall send FIFA comprehensive reports about the result of the spot checks at FIFA's request.
4. If CAF realises that a Licensor issued a licence in breach of the Licensor's regulations, the Licensor shall be sanctioned by CAF's disciplinary committee in accordance with CAF's disciplinary code or other relevant regulations.
5. FIFA and CAF shall cooperate with each other.

Article 12: **SPOT CHECKS AND SANCTION BY FIFA**

1. In the event that CAF fails to implement a spot-check procedure, does not carry out spot checks with the Licensor or does not send, at FIFA's request, comprehensive reports about the result of the spot checks to FIFA, FIFA shall set CAF a deadline to do so. If this deadline is not respected by CAF, FIFA has the right to carry out the spot checks directly. The Licensor is obliged to cooperate with FIFA for this purpose and provide FIFA with full access to the files.
2. If FIFA realises that a Licensor has issued a licence in breach of the Licensor's regulations, FIFA shall inform CAF in order to sanction the Licensor in accordance with article 11. In the event that CAF fails to take action or fails to impose sanctions, FIFA shall set CAF a deadline to do so. If this deadline is not respected by CAF, the FIFA Disciplinary Committee has the right to sanction the Licensor directly in accordance with the FIFA Disciplinary Code.

Article 13: **ADOPTION AND ENFORCEMENT**

These regulations were adopted by the National Executive Committee on 18 August 2012 and come into force on 18 August 2012.

DR DANNY JORDAAN
PRESIDENT

MR DENNIS A. MUMBLE
GENERAL SECRETARY/CHIEF EXECUTIVE OFFICER