

Rethinking the future of football in the EU

The Super League project announced by 12 leading football clubs in April was widely misunderstood and continues to be so. There are a few key points which are important to understand.

First, the **Super League proposal is not a “breakaway” league** despite press reports to the contrary. This means clubs never intended to **leave their domestic leagues and are willing to remain within the existing ecosystem**. Rather the proposal aims to improve the current pan-European competition, the UEFA Champions League. In fact, the implementation of the proposal is **conditional** to either:

- a. **Official recognition** of the league by FIFA and/or UEFA; or, alternatively
- b. **Obtaining appropriate legal protection** from European courts under terms which would allow clubs to participate **in both the Super League and their respective Domestic Leagues/Domestic Cups**.

This legally binding condition shows a **clear desire to work within the existing football system and a firm commitment to remain connected to domestic competitions**.

Second, the proposal has been described as a few owners trying to take over football with little regard for fans. This is not true. The primary aim of the Super League is to address the lack of high quality matches in pan-European competitions. The current Champions League, owned and operated by UEFA, the self-appointed monopolistic regulator, and operator of football competitions in Europe, has not changed in nearly thirty years and has become stale and boring.

Fans are obviously critical to all sports and a successful European Super League is only possible with the backing of football fans. **We have heard, and continue to listen** to, what fans and football stakeholders who make up the football family say regarding the proposal and it is clear that they want **open access with no clubs being granted permanent membership forever and sporting merit to be at the core of any such competition**.

Therefore, **our commitment** is that the proposed European Super League's format **will eliminate the concept of “permanent members”, being open to European Clubs**. In this way we will continue to seek to maximise the game's impact on social wellbeing for constituents in Europe.

The need for a new governance framework

A number of critical issues within football need to be **addressed urgently to guarantee a sustainable future** for the game in the European Union. **The Super League project is a recognition of a system that is broken.**

UEFA is the self-established governing body of football in the European Union and, more generally in Europe, while it is a Swiss private association governed by Swiss law and subject to CAS (an arbitral tribunal outside of the control of the European Court of Justice) in respect of sport-related matters. **UEFA's role creates structural conflicts** given that it is:

- The *de-facto* **regulator** of football within Europe, setting rules for clubs and football in general.
- The **exclusive, (100% market share), commercial operator** of pan-European club football competitions according to its own statutes. Professional football clubs have no role, no vote and no representation in the development and implementation of these statutes.
- The self-proclaimed **gatekeeper** in charge of **authorizing any and all new competitors** from entering the market for pan-European club football competitions.

These roles are fundamentally incompatible and there is no industrial or other commercial example where a regulator is also the dominant operator AND the sole authority for the sanctioning of new market entrants.

At the same time, UEFA has **close ties to certain club owners from non-member states** who are commercial sponsors of certain competitions and clubs, are the main buyers of media rights for competitions operated by UEFA and who sit on UEFA's Executive Committee, while Chairing the European Club Association without any transparent election process. Since within the EU a club cannot benefit from State aids from its own Member State, according to article 107 TFEU, why should it be allowed that the football market be disrupted, to the exclusive benefit of a few State-owned clubs, because of State aids coming from non-Member States?

The state of club football in the European Union

The issues that football is facing have been repeatedly noted through our various public statements since the announcement of the European Super League proposal, but it is worth mentioning them again:

- A **lack of games of the highest quality**, with the most popular teams and players not facing each other regularly enough and the best games only taking place late in the

season. This is leading to a **decrease in audiences and reduced interest among younger people**.

- **Financial controls which are inadequate and improperly enforced** creating instability for clubs and competitive imbalances. Certain clubs are also assisted by non-member states.
- **The clubs are not allowed by UEFA to freely organise and govern themselves at European level in the same way that they operate at domestic level.** Governance resides only with UEFA. At the same time these clubs are the most appealing to fans and are the main risk takers in the industry. UEFA on the other hand, takes no risk whatsoever.
- There is a **lack of transparency and accountability around solidarity** spending making it difficult to track the impact that the different initiatives are having in helping to develop the game at grassroots levels and in creating a positive social impact.
- **UEFA's territorial model undermines the capacity of clubs from big cities located in smaller Member States from properly competing in the pan-European market** due to lower domestic media revenues, reflective of the smaller populations in certain Member States. Those clubs can neither afford nor attract the players that would enable them to compete against clubs from the big leagues.
- The **European Union is gradually losing its control over football**, a landmark asset, with the English Premier League (sitting outside the Union since Brexit) having outgrown the main EU leagues, and the entry of new agents from non-Member States who are gaining a disproportionately high degree of influence in the game. All the above taking place under UEFA's ruling and management.

The response offered by UEFA to each and every one of the above issues has been insufficient if not non-existent:

- The “Swiss system” proposed by UEFA, materially increases the number of so-called group matches, which are the least popular among fans. Ironically after years of deliberations, the result is a **reduction of the overall quality** of the competition.
- In a recent statement **President Ceferin dismissed the need for Financial Fair Play rules to guarantee competitiveness**, one of its two main objectives (the other being financial stability for the pyramid), aligning with the interest of State-owned clubs. In a context where financial inequality is growing among clubs and between leagues and where the pandemic has proved the fragility of the system overall, financial controls are more important than ever to guarantee the game's competitive and financial balance going forward.

Looking towards the future

Our proposal and repeated request for dialogue was met with fervent and very vocal opposition by UEFA and the threat of sanctions towards its promoters, which led to the adoption of interim measures by a Spanish Commercial Court 48 hours after launch and the enforcement of said measures in July. The Spanish judge proceeded to refer the case to the European Court of Justice on 11 May 2021.

The ECJ will now have to rule on the future of European football governance. Is UEFA, a Swiss private association in structural conflict of interest, best suited to be the game's regulator, gatekeeper, and sole commercial operator? Is it acceptable under European Union Law that a Swiss association grants and blocks access to the football market to new entrants within the Union?

The Euroleague basketball, which has been in operation for more than 2 decades on the basis of a format and governance structure very similar to the one proposed by the European Super League sets a very relevant precedent for the free constitution of sports leagues that compete with those established by *de-facto* regulators / monopolistic operators. Why should football be treated differently?

We firmly believe that **clubs should be entitled to determine their own commercial future and to propose new alternatives for football**. These alternatives will (a) **provide competitions that are more attractive to consumers** by meeting their demand for exciting matches, (b) **ensure better financial controls** that will support competitiveness and are properly enforced to provide stability and (c) allow for merit based formats that **foster the creation of larger clubs** from different cities regardless the size of the population of their home Member States, promoting the growth of football within the Union (in other words, if clubs are allowed to develop on a Pan-European market, cities like, for example, Dublin or Luxembourg – and their inhabitants - will finally be entitled to have access to premium club football). We are also firm believers that any **regulator should be independent and should not be allowed to mix the roles of regulator and commercial operator in order to adequately supervise the game and the different competitions at European Union level.** This is the way forward to preserve the European Union's leadership in Football and to protect it from external agents.

Key points

1. The Super League proposal is not a “breakaway” league
2. We will eliminate the concept of “permanent members”, being open to European Clubs.
3. The Super League project is a recognition of a system that is broken.
4. UEFA’s role creates structural conflicts
5. Close ties to certain club owners from non-member states
6. Lack of games of the highest quality
7. Financial controls are inadequate
8. Lack of transparency and accountability around solidarity
9. European Union is gradually losing its control over football
10. Clubs from big cities located in smaller Member States can’t compete in the actual UEFA model

Appendix 1

The top 4 largest EU Member States have a greater combined population than the 26 smaller UEFA Member Federations that are not Member States. When it comes to voting rights at UEFA however, the biggest 4 EU Member States hold just 7.3% of the voting rights vs. 47.3% (6.5x more) that are held by the 26 UEFA Member Federations that are not Member States

Table 1: Relationship between UEFA Association's Population and Votes (*Sources: UEFA, IMF, Eurostat*)

Country	Population (m)	% of population	UEFA Votes	% of votes	Combined population	Combined votes
EU member states		51.0%	27	49.1%	29.3%	7.3%
Germany	83.16	9.5%	1	1.8%		
France	65.12	7.5%	1	1.8%		
Italy	60.25	6.9%	1	1.8%		
Spain	47.11	5.4%	1	1.8%		
Poland	37.96	4.3%	1	1.8%		
Romania	19.32	2.2%	1	1.8%		
Netherlands	17.41	2.0%	1	1.8%		
Belgium	11.52	1.3%	1	1.8%		
Greece	10.71	1.2%	1	1.8%		
Czech Republic	10.69	1.2%	1	1.8%		
Sweden	10.38	1.2%	1	1.8%		
Portugal	10.29	1.2%	1	1.8%		
Hungary	9.77	1.1%	1	1.8%		
Austria	8.90	1.0%	1	1.8%		
Bulgaria	6.91	0.8%	1	1.8%		
Denmark	5.82	0.7%	1	1.8%		
Finland	5.53	0.6%	1	1.8%		
Slovakia	5.46	0.6%	1	1.8%		
Republic of Ireland	4.90	0.6%	1	1.8%		
Croatia	4.05	0.5%	1	1.8%		
Lithuania	2.80	0.3%	1	1.8%		
Slovenia	2.10	0.2%	1	1.8%		
Latvia	1.91	0.2%	1	1.8%		
Estonia	1.33	0.2%	1	1.8%		
Cyprus	0.89	0.1%	1	1.8%		
Luxembourg	0.63	0.1%	1	1.8%		
Malta	0.52	0.1%	1	1.8%		
Non-member states		49.0%	28	50.9%	22.6%	47.3%
Russia	146.81	16.8%	1	1.8%		
Turkey	84.17	9.6%	1	1.8%		
England	55.98	6.4%	1	1.8%		
Ukraine	41.48	4.7%	1	1.8%		
Kazakhstan	18.87	2.2%	1	1.8%		
Azerbaijan	10.10	1.2%	1	1.8%		
Belarus	9.41	1.1%	1	1.8%		
Israel	9.22	1.1%	1	1.8%		
Switzerland	8.61	1.0%	1	1.8%		
Serbia	6.94	0.8%	1	1.8%		
Scotland	5.45	0.6%	1	1.8%		
Norway	5.39	0.6%	1	1.8%		
Georgia	3.70	0.4%	1	1.8%		
Bosnia and Herzegovina	3.28	0.4%	1	1.8%		
Wales	3.14	0.4%	1	1.8%		
Armenia	2.97	0.3%	1	1.8%		
Albania	2.87	0.3%	1	1.8%		
Moldova	2.63	0.3%	1	1.8%		
North Macedonia	2.08	0.2%	1	1.8%		
Northern Ireland	1.89	0.2%	1	1.8%		
Kosovo	1.81	0.2%	1	1.8%		
Montenegro	0.62	0.1%	1	1.8%		
Iceland	0.36	0.0%	1	1.8%		
Andorra	0.08	0.0%	1	1.8%		
Faroe Islands	0.05	0.0%	1	1.8%		
Liechtenstein	0.04	0.0%	1	1.8%		
San Marino	0.03	0.0%	1	1.8%		
Gibraltar	0.03	0.0%	1	1.8%		
Total	873.42	100.0%	55	100.0%		

Appendix 2

Spending by English clubs is the greatest of any National Association with clubs having spent USD12.4bn on international transfers, 1.8x more than the Spain who comes in 2nd in terms of spending with USD6.7bn.

When looking at net amounts, the difference between England and the rest is even more significant with their net expenditure reaching USD7.2bn 5.5x Italy's 1.3bn who is ranked 2nd.

Table 2: Associations' net expenditure in international transfers; 2011-2020 (*Source: FIFA*)

Association	Spending (USDm)	Receipts (USDm)	Net expenditure (USDm)
England	12,418	(5,188)	7,230
Italy	5,555	(4,241)	1,315
Germany	4,351	(3,425)	927
Russia	1,693	(855)	838
Spain	6,731	(6,152)	579
Turkey	1,113	(848)	265
Wales	614	(534)	80
Kazakhstan	34	(6)	28
Cyprus	123	(111)	12
Azerbaijan	14	(3)	11
Scotland	234	(284)	(50)
Bulgaria	44	(109)	(65)
Slovenia	12	(96)	(84)
Slovakia	22	(118)	(96)
Greece	338	(440)	(102)
Czech Republic	95	(273)	(179)
Romania	41	(232)	(191)
Poland	94	(297)	(204)
Norway	76	(284)	(208)
Serbia	95	(312)	(217)
Sweden	64	(365)	(301)
Austria	237	(573)	(336)
Denmark	194	(531)	(337)
Ukraine	501	(864)	(363)
Croatia	86	(528)	(442)
Switzerland	261	(755)	(493)
Belgium	926	(1,496)	(571)
France	4,045	(4,871)	(826)
Netherlands	708	(2,003)	(1,295)
Portugal	1,319	(4,276)	(2,956)

Appendix 3

The three clubs with the lowest broadcasting revenues from the English Premier League outperform the champions from 4 of the 5 largest leagues in Europe. Only Real Madrid and FC Barcelona receive broadcasting revenues that are comparable to those of the English clubs.

Table 3: Season 2018/19 broadcasting revenue from domestic leagues for selected clubs (Sources: Leagues, clubs, press, Bloomberg. Figures in GBP converted to EUR at an exchange rate of 0.88 corresponding to the average exchange rate for the period from 1 July 2018 to 30 June 2019)

Club	Country	Ranking in League	€m
Liverpool	England	2	173
Manchester City	England	1	171
FC Barcelona	Spain	1	167
Chelsea	England	3	166
Tottenham Hotspur	England	4	165
Manchester United	England	6	162
Arsenal	England	5	161
Real Madrid	Spain	3	155
Everton	England	8	146
Wolverhampton Wanderers	England	7	144
Leicester City	England	9	140
West Ham United	England	10	139
Newcastle United	England	13	136
Crystal Palace	England	12	130
Watford	England	11	129
AFC Bournemouth	England	14	123
Burnley	England	15	122
Brighton & Hove Albion	England	17	120
Atlético de Madrid	Spain	2	119
Southampton	England	16	118
Cardiff City	England	18	117
Fulham	England	19	116
Huddersfield Town	England	20	110
Bayern Munich	Germany	1	98
Borussia Dortmund	Germany	2	88
Juventus	Italy	1	85
AC Milan	Italy	5	77
Inter Milan	Italy	4	83
PSG	France	1	60
Benfica	Portugal	1	44
FC Porto	Portugal	2	43
Ajax	Netherlands	1	11