

GC MUN FIFA (UEFA) COMMITTEE STUDY GUIDE

Agenda: Reviewing and Reforming Financial Fair Play Regulations to Ensure Equitable Competition in Global Football and Taking Action on Present Open Investigations



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Letter from the Executive Board

Dear Delegates,

It is our utmost pleasure to welcome you to the FIFA (UEFA) Committee at GC MUN. This committee brings together the complexities of global sports governance with the underlying principles of equity, transparency, and accountability in modern football.

The agenda before you is both relevant and challenging—**Financial Fair Play (FFP)** has long been debated for its impact on clubs' economic health, its effectiveness in ensuring fair competition, and its application in investigations of financial misconduct.

As members of this committee, you will be expected to deeply analyse FFP's current framework, its loopholes, and how these have contributed to the dominance of wealthier clubs while stifling the growth of smaller or less-funded teams. At the same time, ongoing investigations (e.g., involving clubs like Manchester City, PSG, Chelsea, etc.) must be fairly scrutinized, raising the question whether FFP is applied equally or selectively.

This committee is not only about regulations—it is about **restoring trust** in the integrity of football. We encourage you to research thoroughly, debate constructively, and negotiate with purpose.

We are excited to witness your innovative solutions and passionate diplomacy.

Yours sincerely,

The Executive Board

FIFA (UEFA) Committee

GC MUN 2025

Introduction to the Agenda

Agenda: Reviewing and Reforming Financial Fair Play Regulations to Ensure Equitable Competition in Global Football and Taking Action on Present Open Investigations

In recent years, the landscape of global football has undergone a dramatic transformation. While the game has become more commercialized and lucrative, it has also witnessed growing inequalities—both financial and competitive. Against this backdrop, the agenda aims to evaluate the existing **Financial Fair Play (FFP)** framework introduced by UEFA and assess its effectiveness in maintaining a level playing field among football clubs.

The committee will explore two main dimensions:

1. **Review and Reform of Financial Fair Play Regulations:** Are the current FFP rules effective in promoting responsible financial conduct? What reforms are necessary to address emerging loopholes, state-backed ownership models, and disparities between clubs?
2. **Action on Ongoing Investigations:** Numerous high-profile cases involving alleged FFP breaches remain open or unresolved, raising questions about transparency and fairness in enforcement. The committee will examine these cases and propose mechanisms for clearer accountability and faster resolution.

The agenda calls upon delegates to think critically about:

- The balance between financial freedom and regulatory discipline.
- Protecting smaller clubs without punishing ambition.
- Ensuring that investigations into financial misconduct are fair, timely, and unbiased.

This committee offers a rare opportunity to shape the financial future of football. Delegates must move beyond blame and towards **practical, inclusive, and enforceable reforms** that restore public trust in football governance and promote equitable competition across all tiers of the sport.

Understanding the Committee – FIFA and UEFA

The Fédération Internationale de Football Association (FIFA) is the international governing body of football, futsal, and beach soccer. Established in 1904, FIFA is headquartered in Zurich, Switzerland, and is responsible for organizing major international tournaments, most notably the FIFA World Cup. FIFA serves as the umbrella organization for six continental federations and is committed to regulating the game, fostering development, and ensuring integrity across member associations.

One of these federations is UEFA (Union of European Football Associations), founded in 1954 and headquartered in Nyon, Switzerland. UEFA oversees football activities in Europe, organizes elite tournaments such as the UEFA Champions League, Europa League, and UEFA Euro, and governs the financial and sporting regulations of European clubs. It was UEFA that first introduced the concept of Financial Fair Play as a regulatory framework to curb unsustainable financial practices.

This committee functions as a joint FIFA–UEFA special council, created to assess the FFP framework and respond to legal and ethical concerns regarding current financial investigations. You are not simply delegates—you are temporary custodians of football's future.

The Concept and Origins of Financial Fair Play (FFP)

Introduced by UEFA in 2009 and formally implemented in the 2011–12 season, Financial Fair Play was a revolutionary effort to address a mounting crisis. Clubs across Europe were racking up unsustainable debts, spending far beyond their income, and risking financial collapse. The basic premise of FFP is simple: “You can’t spend more than you earn.” Clubs are required to balance their books over a rolling period, while avoiding hidden debts and financial doping through external injections of cash.

While the intentions were noble—protecting club stability, encouraging youth development, and ensuring competitive balance—the implementation has been plagued with loopholes and criticisms. Despite several amendments (notably in 2015 and more recently in 2023 under the “sustainability regulations”), FFP still appears to favor already-rich clubs, restricts upward mobility for smaller teams, and has shown signs of selective enforcement.

What This Committee Will Do

The FIFA (UEFA) Committee at GC MUN 2025 is designed to be an immersive, hybrid of policy-making and real-time decision-making. You will deliberate on two interconnected pillars:

- 1. Reforming the Financial Fair Play Regulations:**

Delegates will work collaboratively to dissect the flaws in the current FFP system. Through research and debate, you will propose reforms that make the system fairer, more inclusive, and more transparent. These reforms might include new audit

mechanisms, greater transparency, financial ceilings or floors, taxation of mega-transfers, or increased financial aid to smaller clubs.

2. Investigating Ongoing FFP Breaches and Taking Action:

In parallel, you will be given case files on real-world allegations against major clubs such as Manchester City, Paris Saint-Germain, Chelsea, and others. Based on evidence and committee discussions, you will decide whether or not these clubs breached FFP—and what punishments or remedies, if any, should be imposed.

This means that you will alternate between being legislators and regulators, with the ability to pass reforms, sanctions, charters, or investigative conclusions through draft directives and resolutions. Your goal is not just to talk—but to act.

Problems with the Current FFP Structure

While FFP was introduced to save football from financial chaos, it has arguably created new problems. The richest clubs, who already had strong commercial revenue, have found it easier to comply, while smaller clubs are penalized for ambition. Enforcement appears inconsistent—with some clubs facing immediate consequences and others escaping via legal appeals (e.g., City's overturned ban by CAS in 2020). Moreover, the post-COVID landscape has destabilized club incomes and raised questions about whether FFP is fit for purpose in today's reality.

Delegates must explore these gaps while formulating a more modern framework.

Expected Outcomes and Committee Deliverables

By the end of the conference, delegates are expected to:

- Propose and vote on a new model or amendments to Financial Fair Play regulations.
- Present conclusions on open investigations, with the option to issue fines, transfer bans, point deductions, or reforms.
- Draft a FIFA-UEFA Resolution on Financial Integrity that sets a global standard going forward.
- Maintain professionalism, realism, and respect for legal process during investigations.

1. Introduction to Financial Fair Play (FFP)

Financial Fair Play (FFP) is a regulatory framework introduced by UEFA in 2009 and fully implemented by the 2011–12 season. The initiative was designed to promote financial discipline among European football clubs amidst growing concerns about unsustainable spending and rising debts. At its core, FFP aims to ensure that clubs operate within their financial means, thereby protecting the long-term viability and integrity of football as a competitive sport.

Under these regulations, clubs are required to maintain a balance between their income and expenditures. Specifically, they must:

- Avoid accumulating overdue payables such as unpaid player wages and outstanding transfer fees.
- Disclose accurate and timely financial accounts to governing bodies.
- Limit excessive spending, particularly when funded through unsustainable debt or artificial sponsorship deals.

FFP emerged in response to several high-profile cases of clubs facing financial crises due to mismanagement, prompting UEFA to act in the interest of fair competition and fiscal responsibility.

2. Key Objectives of FFP

The central goals of the Financial Fair Play regulations are multifaceted and focus on instilling a culture of responsible governance within football clubs. The key objectives include:

- **Promoting financial sustainability:** Encouraging clubs to adopt long-term business models that do not rely on continuous injections of external funding.
- **Preventing irresponsible financial behavior:** Such as overspending on transfer fees or player salaries in an attempt to "buy success."
- **Protecting the competitive balance** of European competitions by limiting the influence of ultra-wealthy benefactors who distort the market.
- **Avoiding the inflation of the football market**, especially with regard to transfer fees and player wages, which can create unrealistic financial pressures on smaller clubs.

UEFA's broader ambition is to cultivate a level playing field where football clubs are not rewarded for reckless investments but for sustainable and transparent operations.

4. Reforms Proposed & Discussed in the Football Community

Over time, several criticisms have emerged against the original FFP framework—particularly around enforcement inconsistency and loopholes exploited by elite clubs. In response, UEFA has introduced and discussed multiple reformative approaches, especially in recent years.

- **UEFA's New Financial Sustainability Regulations (2023):**
 - The latest iteration includes the **"Squad Cost Rule"**, which caps spending on player wages, transfers, and agent fees to 70% of a club's total revenue.

- These regulations are being phased out in a **three-year transition phase**, allowing clubs to gradually adapt.
- **Luxury Tax Models:** Inspired by American leagues like the NBA and MLB, this concept suggests allowing clubs to overspend but penalizing them financially (via a luxury tax), with the collected funds redistributed to promote parity.
- **Stricter Sponsorship Vetting:** UEFA has proposed more rigorous scrutiny of sponsorship deals, particularly those involving **state-backed entities** that may be overpaying to circumvent spending limits.
- **Enhanced Transparency Tools:** Suggested reforms include establishing **neutral financial review boards**, and even **open-source financial audits** to increase public accountability.
- **Stronger Penalties:** Discussions include **escalating penalties** for repeat offenders, including point deductions, transfer bans, and disqualification from UEFA competitions.

These reform discussions reflect a shift from rigid control to more dynamic oversight models that promote transparency, fairness, and real consequences for malpractice.

5. Global Disparity & Impact on Smaller Leagues

While FFP was introduced with good intentions, it has drawn criticism for **deepening the financial divide** between wealthy, historically successful clubs and smaller or emerging ones. This is especially evident in leagues outside Europe's "Big Five" (Premier League, La Liga, Bundesliga, Serie A, Ligue 1).

- **Mid-tier clubs** often lack access to vast commercial revenues, global fanbases, or lucrative broadcasting deals. As a result, FFP's financial constraints make it harder for them to compete on the European stage.
- In contrast, **larger clubs** benefit from branding, legacy success, and significant commercial streams, making them more capable of navigating FFP limitations without compromising their competitiveness.

A frequently proposed solution is the introduction of **solidarity mechanisms**:

- Revenue-sharing models to redistribute income from top-tier clubs to lower-tier or grassroots institutions.
 - Financial incentives for **youth development** and **academy investment** to ensure long-term competitiveness.
 - Supporting clubs in smaller markets through UEFA grants or reduced regulatory burdens for clubs that meet sustainability goals.
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6. Possible Directives and Committee Actions

The committee can propose both policy-oriented and structural actions to improve fairness and accountability under FFP. Some viable directives might include:

- **Creation of a Transnational Financial Oversight Body:** An independent committee that oversees club finances across federations to ensure consistency, transparency, and enforcement.
- **Minimum & Maximum Spending Thresholds by Tier:** This tier-based approach would allow greater flexibility for smaller clubs while capping runaway spending by larger clubs.
- **Mandated Financial Disclosures:** Requiring clubs to publish **audited financial reports** annually, accessible to fans, regulators, and competitors.
- **Review of UEFA's Role vs Domestic Federations:** Considering shared responsibility between UEFA and national leagues to streamline investigations and reduce regulatory bias.
- **Retrospective Reviews of Past Investigations:** Revisiting controversial cases (like those of Manchester City or PSG) under a new framework with public rulings to rebuild trust in FFP processes.

The committee must balance enforcement with fairness and aim to strengthen the legitimacy of FFP through inclusive, transparent, and practical reforms.

7. Bloc Positions to Explore

Understanding the positions of different stakeholders is essential to diplomacy and bloc formation in committee. Here are some potential groupings:

- **Wealthy/State-Backed Clubs:**
 - Examples: Manchester City, Paris Saint-Germain, Chelsea, Newcastle United (under Saudi PIF).
 - Likely to resist stricter caps and advocate for flexible mechanisms like the luxury tax.
- **Traditional European Giants:**
 - Examples: Bayern Munich, Real Madrid, Manchester United.
 - Tend to support sustainability but also benefit from current revenue dominance.
- **Clubs from Smaller Leagues:**
 - Examples: Ajax, FC Porto, Shakhtar Donetsk.

- Advocate for solidarity payments and mechanisms to curb financial monopolization.
- **Fair Play Advocates:**
 - Examples: Borussia Dortmund, Athletic Bilbao.
 - Likely to push for ethical governance, youth development, and reformative oversight.
- **Governing Bodies:**
 - UEFA, FIFA, and national federations like the English FA, Spanish LFP, or Italy's Serie A.
 - Focused on enforcement, regulatory credibility, and financial health of the sport.

Identifying your club's group and interests will help in building alliances and drafting actionable resolutions.

8. Suggested Reading and Resources

To enrich arguments and working papers, delegates are encouraged to consult:

- **UEFA's official FFP regulations:** www.uefa.com
- **Investigative reporting** from *The Athletic*, *BBC Sport*, *Sky Sports*, *Financial Times*.
- **Court of Arbitration for Sport (CAS)** decisions regarding FFP, particularly landmark cases.
- **FIFPro and CIES Football Observatory:** Great for data and trends in global football finance.
- **Public annual financial reports** of clubs like FC Barcelona, Juventus, or Liverpool.

These sources will enhance the credibility and accuracy of your arguments.

9. Tips for Delegates

- **Know Your Club's Numbers:** Understand your club's transfer expenditures, wage bills, and revenue streams. Cite real data where possible.
- **Be Solution-Oriented:** Focus more on proposing actionable reforms than simply criticizing the system.
- **Work Cross-Bloc:** Forge consensus between clubs with varying interests. A balanced paper is more likely to pass.

- **Short-Term + Long-Term Thinking:** Frame your policies to address immediate gaps while planning for systemic change.
- **Investigations Matter:** Don't ignore the second part of the agenda. Be prepared to debate the legitimacy of current open investigations and propose judicial reforms.

10. Research Guidelines and Suggested Resources

To ensure delegates are well-prepared and can engage meaningfully in debate, we recommend the following research strategies:

How to Start:

- **Understand FFP Basics:** Read about the core principles of Financial Fair Play regulations.
- **Explore UEFA's Official Documentation:** Visit UEFA's official site for up-to-date policy documents and press releases.
- **Analyze Case Studies:** Investigate clubs under FFP scrutiny (e.g., Manchester City, Paris Saint-Germain, AC Milan).

Key Sources:

- UEFA Official Website: <https://www.uefa.com>
- FIFA Financial Reports: <https://www.fifa.com/about-fifa/finances>
- Articles from The Athletic, Sky Sports, BBC Sport, and The Guardian
- Reports from Deloitte's Annual Football Money League
- Scholarly articles on financial regulations in football (Google Scholar)

Tips:

- Create a position paper reflecting your nation/club's interests.
- Use statistics to support your claims (e.g., wage-to-income ratios).
- Think critically: Would your reforms be fair for all clubs regardless of wealth?

11. Glossary of Key Terms

Term	Definition
Financial Fair Play (FFP)	A UEFA policy designed to prevent clubs from spending more than they earn and ensure long-term financial sustainability.

Term	Definition
Break-even requirement	A rule stating that clubs must not spend significantly more than they earn over a certain monitoring period.
UEFA Club Licensing	A system ensuring clubs meet minimum standards before participating in UEFA competitions.
Sportswashing	When organizations or governments use sports to improve their reputation or distract from unethical practices.
Third-party ownership (TPO)	The practice where external parties (not clubs) own the economic rights of players.
Transfer Ban	A sanction that prevents a club from signing new players during transfer windows.
Inflated Sponsorship Deals	When clubs overstate sponsorship income to appear compliant with FFP.
Soft Loans	Loans provided to clubs by wealthy owners with little expectation of repayment.
Revenue Inequality	Disproportionate income between clubs, often driven by broadcasting and commercial deals.

12. Appendices

A. Case Files of FFP Investigations

- **Manchester City (2020):** Banned for two years from UEFA competitions for alleged breaches, later overturned by CAS.
- **AC Milan (2019):** Banned from the Europa League for violating FFP rules.
- **Paris Saint-Germain (2017):** Scrutinized after the €222M Neymar transfer.

B. Useful Charts

- Revenue vs. Expenditure of Top Clubs (2010–2024)
- Wage-to-Turnover Ratios (by League)
- FFP Breaches & Consequences Timeline

C. Frameworks to Explore

- **Modified FFP Proposal:** Including salary caps, luxury tax systems, and transparent auditing.

- **Reinvestment Fund Mechanism:** Redistributing fines into grassroots football development.