

# FINANCIAL SOLIDARITY AT LEAGUES AND EUROPEAN LEVEL



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## Definition of Terms

- **Associate Member:** means any professional football League which becomes an associate member of the EPFL in accordance with the terms of the Constitution and can include Leagues which are below Premier Division level as well as certain Associations of Clubs;
- **Clubs:** means the clubs recognized by a National Association which play in one of the Leagues;
- **EPFL:** means the Association of European Professional Football Leagues, which represents 30 European Leagues at European level.
- **Financial Solidarity:** means the practice of Leagues' revenues being distributed to lower Leagues and National Associations in order to ensure financial fairness at a national level and stimulate long-term investment in football;
- **First Division:** means the second league tier of professional football competition organised at a national level;
- **League:** means an organisation recognised by a National Association which is composed of Clubs and is responsible, among other tasks, to organise and exploit one or more competitions for its Clubs;
- **Member League:** means the member leagues of the EPFL in accordance with the terms of the Constitution and can only include Leagues which are at a Premier Division level;
- **National Association:** means the governing body of football in a particular country;
- **Premier Division:** means the first tier of professional football competition/s organised at national level;
- **Second Division:** means the third tier of professional football competition/s organised at national level;
- **Stakeholders:** means a person, group, organization, or system who affects or can be affected by professional football;
- **Third Division:** means the fourth tier of professional football competition/s organised at national level;
- **UEFA:** means the governing body of association football in Europe from time to time currently known as Union des Associations Européennes de Football (or any replacement thereof or successor thereto).



# 1. Introduction

During the last fifteen year, Professional Football has grown exponentially in terms of global appeal and attractiveness, driven by the unconditional passion of millions of fans and the growing influx of money from TV broadcasters and sponsors.

The EPFL has always been very proud of our Leagues and affiliated clubs ability create wealth and generate social and economic development, propelling positive developments both in and off the field of play. However, contrary to any ordinary business, Professional Football is underpinned on essential values, such as interdependence between clubs, competitive balance and uncertainty of sporting results. Without proper financial solidarity mechanisms in force both at European and national, those traditional values would be at stake, increasing the financial and, thus, financial gap between clubs, contributing to make to sporting results more and more predicable and even calling into question the central selling of commercial and media rights.

Without effective financial

solidarity, football's essence would inevitably suffer. And so would the quality of the beautiful game, the passion of the fans and the interests of broadcasters and sponsors.

Therefore, it is not just important to assess how Leagues and other competition organisers generate their revenues, but also their continued efforts to ensure the development of adequate financial solidarity policies, both horizontally and vertically, covering all areas and levels, from elite football to grassroots sports.

This Report offers a comprehensive overview on all those key aspects, from two different and yet complementary angles. On the one hand, the Report carefully examines the "Solidarity Distribution Mechanisms of Leagues at National Level". On the other hand, it assesses the solidarity payments performed by UEFA via the national Leagues to those clubs that do not participate in UEFA Champions League, in pursuance of one of the pre-conditions established by the European Commission for the central selling of rights.



## 1.1 Background

Financial solidarity is regarded as an essential policy to contribute, by way of specialised structures and tools, financing clubs activities, particularly concerning the construction or modernisation of proper infrastructure and the training and education of young players. Consequently, financial solidarity, both at a National and European level, is of the EPFL's main priorities. In logic coherence with the EPFL's constant aim of enhancing the collection and exchange of information between Member Leagues and Associate Members, this Report also offers strategic options for the Leagues to further develop efficient Solidarity Distribution Mechanisms at national level and for the so called UEFA Champions League solidarity payments.

As the Report will show, the EPFL Members play a vital role within this context. Without them, the subsistence of a non-professional football sector, the training and education of young players, the horizontal and vertical financial solidarity and, consequently, the European Model of Sport would be, as we know, at serious stake.

## 1.2 Objectives

The primary objectives of this report are:

to properly assess the current situation and financial solidarity mechanisms existing within our Member Leagues

To update information and to enable us to address with UEFA the aimed increase of solidarity payments to clubs that do not participate in UEFA Champions League

To promote and share best practices amongst EPFL Member Leagues, Associate Members and Stakeholders in this area of interest

To provide clear guidelines on

how to best distribute solidarity revenues from National and European competitions, within all levels of club football (amateur and professional)

## 1.3 Participating Leagues

Fifteen EPFL Member Leagues and Associate Members have participated in this Report. The detailed list of participating Leagues is attached hereto as Annex 1.

This Report is solely contemplating Professional Football Leagues based in Europe and vested with legal personality.





## 2. Solidarity Distribution at a National Level

This chapter will portray how the EPFL Member Leagues and Associate Members represented redistribute the revenues generated by their own competitions.

The relevant quantitative and qualitative statistical information illustrated in this first part shall address the following main themes:

- Pattern used to sell Media and Commercial Rights
- Organisation in charge of redistributing revenues among Clubs
- Organisation responsible for establishing the distribution criteria
- Established criteria for the redistribution of revenues
- Overall revenues generated by the Leagues in terms of media/commercial rights during the 2008/2009 season
- Parachute Payments Systems

### 2.1 Pattern used to sell Media and Commercial Rights

Commercial Rights are fully sold collectively by the Leagues and/or National Associations on behalf of their clubs.

On the other hand, Media rights are mainly (88%) sold collectively by Leagues and/or National Associations on behalf of their Clubs. As the trend shows, collective selling

is still the primary and most effective sales pattern.

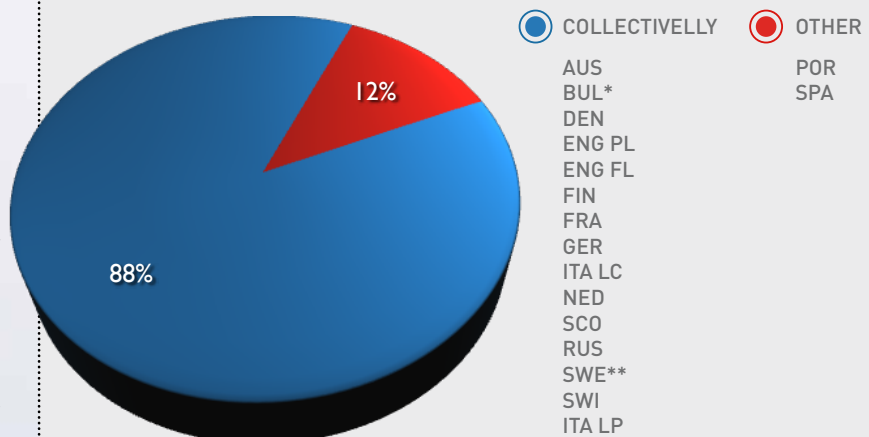
Nevertheless, the other 12% of the Leagues commercialise these rights in a different way. In such cases, the League administers part of the Media and/or Commercial Rights of their competitions, while the other fraction is sold by the respective clubs individually.

By a way of example, the audiovisual rights of the competitions organised by the **Liga Nacional de Fútbol Profesional (SPA)**, are sold individually by each member Club, whilst, the sponsorship exploitation of the same competitions is explored by the said League collectively. More specifically, the branding deals of both competitions, Liga BBVA and Liga Adelante, and of the official match ball,

are fully managed by the Spanish League.

To conclude, the case of **Liga Portugal (POR)** is also noteworthy. As it happens in Spain, although the media rights of both competitions are sold individually by each participating club, the title sponsorship rights, i.e. Liga Zon Sagres and Liga Vitalis respectively, and the official match ball are commercialized by the League. Against a long standing tradition, the Media and Commercial rights of the recently created League Cup are also commercialised by the League. The revenues generated by the League Cup are therefore assuring, in this way, the distribution of greater financial solidarity amongst the Clubs, in contrast with the League's championships.

CHART 1 - SELLING OF MEDIA RIGHTS



\* In the case of the Bulgaria Professional Football League (BUL), the same rights are also sold collectively by the Bulgarian Football Association.

\*\* The Föreningen Svensk Elitfotboll (SWE) negotiates the media and commercial rights collectively with its national association. However, the League is the sole responsible for the agreement

## 2.2 Criteria for the redistribution of revenues and organisation responsible for its definition

Once the leagues' media and commercial rights are sold, the respective revenues are redistributed between the respective clubs following specific criteria set out either by the concerned League or the national association. As our Report will reveal, although some Leagues are not fully empowered to sell their media/commercial rights, i.e. **Bulgarian Professional Football League (BUL)**, the huge majority of Leagues covered by our study is fully accountable for the allocation of the corresponding revenues by their affiliated Clubs.

When it comes to the definition of the criteria established for this distribution, the huge majority of the Leagues (94%)

is in charge of determining the corresponding criteria, be they the sporting performance of the clubs or the added commercial value provided by them to the entire League's product, or others.

Again, the only exception is the **Bulgarian Professional Football League (BUL)**, where a special committee of the national association, comprising some clubs, sets up the applicable criteria for the solidarity distribution of revenues.

It is notable that, in the case of **Liga Portuguesa de Futebol Profissional (POR)** only the revenues generated by the commercial exploitation of the League's Cup and sponsorship

from Liga Zon Sagres and Liga Vitalis applies to what was addressed.

In addition, the **Liga Nacional de Fútbol Profesional (SPA)** is only entitled to define the criteria and distribute the money resulting from the official match ball and title sponsor of Liga BBVA and Adelante. As said before, as a dominant rule, all media rights are sold individually by the clubs.

As regards the applicable relevant criteria for the redistribution of the League's revenues, Chart 3 below shows the different practices. In broad terms, each League follows its own model, which is adapted to its national reality, main needs and objectives.

CHART 2 – ORGANISATION IN CHARGE FOR ESTABLISHING REVENUES DISTRIBUTION'S CRITERIA

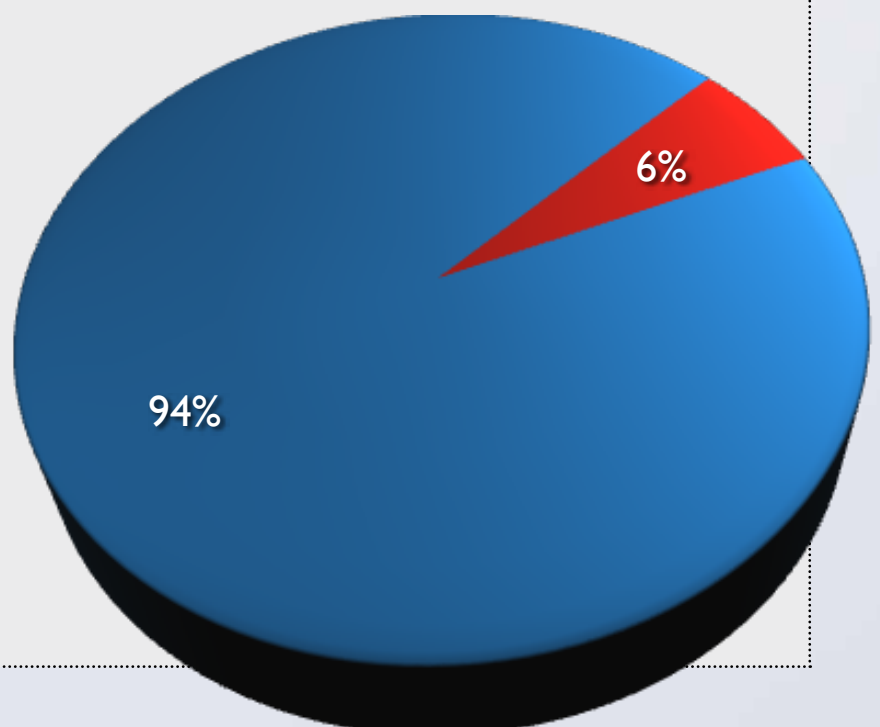
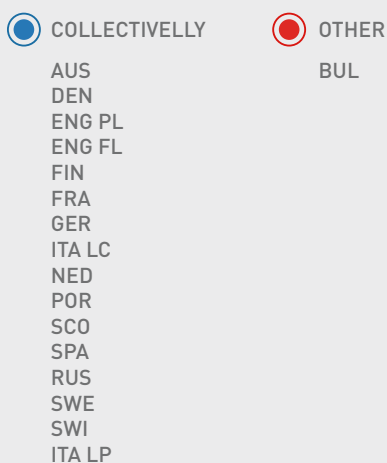







CHART 3 – CRITERIA FOR REDISTRIBUTION OF REVENUES

LEAGUES		ANSWER
 <p>Österreichische Fußball Bundesliga</p>	AUS	<p>TV-rights: 50% fix sum is distributed equally (according to the number of clubs). The distribution of the remaining 50% varies according to the so-called “Austrian pot”. League’s sponsorship: Revenues are distributed equally by the clubs.</p>
 <p>Bulgarian Professional Football League</p>	BUL	<ul style="list-style-type: none"> <li>- 35% on solidarity payments</li> <li>- 35% depending on the Club’s final position in the league</li> <li>- 25% depending on the number of points at the end of the season</li> <li>- 3% for the installation of artificial light on the stadium</li> <li>- 2% for Group B (First Division)</li> </ul>
 <p>Divisionforeningen</p>	DEN	<ul style="list-style-type: none"> <li>- 30% based on final placement in the league</li> <li>- 30% shared equally</li> <li>- 24% based on game results</li> <li>- 1,5% based on participation in the Danish Cup</li> <li>- 11% based on the number of TV viewers / attendance at the game (number of people at the stadium)</li> <li>- 3,5% for the teams that play in European club competitions (UEFA Europe League / UEFA Champions League)</li> </ul>
 <p>The Premier League</p>	ENG	<p>After deduction of specified sums, like payments to The Professional Footballers Association and Good Causes as approved by shareholders, UK broadcasting money is distributed to clubs as follows:</p> <p>50% equally amongst member clubs with relegated clubs receiving a proportion of a full share as follows:</p> <ul style="list-style-type: none"> <li>(i) 55% on the first year of relegation</li> <li>(ii) 45% on the second year of relegation</li> <li>(iii) 25% on the third and fourth years of relegation</li> </ul> <p>25% by way of facility fees on live TV appearances; and</p> <p>25% depending on league position at end of season whereby the club finishing 20th receives one share and the club finishing first receives 20 shares.</p> <p><b>DISTRIBUTION OF OVERSEAS BROADCASTING MONEY:</b> The operating costs of the league are met from overseas broadcasting money and the rest is distributed equally amongst the 20 member clubs with relegated clubs receiving a proportion of a full share as follows:</p> <ul style="list-style-type: none"> <li>- 55% on the first year of relegation</li> <li>- 45% on the second year of relegation</li> <li>- 25% on the third and fourth years of relegation</li> </ul> <p><b>DISTRIBUTION OF TITLE SPONSORSHIP MONEY:</b> This is distributed equally amongst all member clubs with relegated clubs receiving a proportion of a full share as follows:</p> <ul style="list-style-type: none"> <li>- 55% on the first year of relegation</li> <li>- 45% on the second year of relegation</li> <li>- 25% on the third and fourth years of relegation</li> </ul> <p><b>DISTRIBUTION OF COMMERCIAL CONTRACT MONEY AND RADIO CONTRACT MONEY</b> This is distributed equally amongst the 20 member clubs.</p>



LEAGUES	ANSWER	
 <p>The Football League</p>	<p>ENG FL</p>	<p>First €52 million:</p> <p>59.6% to the Championship 23.9% to League one 16.5% to League two</p> <p>Broadcast income - between €36m and €141m:</p> <p>80% to the Championship 12% to League one 8% to League two</p> <p>Balance of income:</p> <p>33.3% to Championship 33.3% to League One 33.3% to League Two</p>
 <p>Veikkausliiga</p>	<p>FIN</p>	<p>50% of the global amount for basic compensation, same sum for all club 25 % of global amount for the number of TV matches per season 25 % of the global amount for the success and home grown player</p>
 <p>Ligue de Football Professionnel</p>	<p>FRA</p>	<p>League 1 :</p> <p>49,3% of the global amount for solidarity payment - fixed equal contribution 24,6% of the global amount depending on the season ranking – proportional contribution 4,9% of the global amount for aggregate ranking on the last 5 seasons - proportional contribution 21,2% of the global amount for aggregate TV live broadcasting on the last 5 seasons (including current season) - proportional contribution</p> <p>League 2 :</p> <p>90% of the global amount for solidarity payment - fixed equal contribution 5% of the global amount for aggregate ranking on the last 3 seasons (including current season) - proportional contribution 5% of the global amount for national youth academy ranking - proportional contribution</p>



LEAGUES	ANSWER
 <p data-bbox="140 1216 360 1279">DFL Deutsche Fußball Liga GmbH</p>	<p data-bbox="496 398 1474 618">Important to note that German professional football, the so-called “licensed football”, consists of the two top leagues named Bundesliga and Bundesliga 2 consisting of 18 clubs each. These 36 professional football clubs are the members and thus constitute the two-tier League named “Ligaverband” which is run by the DFL Deutsche Fußball Liga GmbH. All media and marketing rights of the championship competition in Bundesliga and Bundesliga 2 are jointly marketed and sold by the DFL. This means and is absolutely noteworthy that there is an aggregate amount of income for 36 clubs which has to be distributed among 36 clubs. The distribution mechanism is concluded by the board of the Ligaverband.</p> <p data-bbox="496 647 1474 763">First of all, the allocation formula between Bundesliga and Bundesliga 2 amounts to 79% versus 21% of the total domestic income from centrally marketed media and marketing rights (€437 million in the 2009/10 season). In both divisions the spread between the club ranked first and last in a so called “four year ranking list” is 2:1 meaning that the best performing club receives twice the sum which is paid to the last ranked one.</p> <p data-bbox="496 792 1474 1261">The “four year ranking list” accrues to the final position of a club in the league table of the three preceding seasons and the average ranking after each match day in the current season. These four rankings of a club are weighted annually between one to four times over the four year period in order to focus more on the current performance and to account for clubs participating in both leagues due to relegation and promotion. This is done by assigning 36 points to the first ranked in the Bundesliga and 19 points to the last, (18th place), and accordingly 18 points to the top ranked club in Bundesliga 2 descending to one point for the last ranked club. These points are multiplied by four for the current season, three for the previous season, etc. A club which finished third in Bundesliga 2 in the 2007/08 season generated 16 points. For its 12th rank in Bundesliga in the 2008/09 and 2009/10 seasons the club earned 25 points each. Therefore, for the upcoming 2010/11 season the position of this club in the “four year ranking list” will be calculated by determining the total of points: <math>1 \times 16 + 2 \times 25 + 3 \times 25 + 4 \times</math> the current average (equal position after each match day are divided through total match days played so far). This total for the club is ranked within the total of points of all other professional clubs. Each ranking in this list attributes a certain percentage of the total domestic revenues to a club. The best club in the Bundesliga gains 5.76 percent, which amounts to the double of the share of the last ranked club. In Bundesliga 2 the top ranked club receives 1.84 percent of the total domestic income of both leagues, and the last ranked clubs half of that.</p> <p data-bbox="496 1290 1474 1406">Only the returns from the sale of international broadcasting rights are exclusively attributed to Bundesliga’s 18 clubs. This allocation takes into account the relevance of appearances in UEFA’s Champions and Europe League for the demand from abroad and the higher interest of international broadcasters for big brands.</p> <p data-bbox="496 1435 1474 1583">The pot for 2009/10 totals € 30million and will increase to € 45million until the end of the current sales period of media rights lasting until 2012/13. In 2009/10 each Bundesliga club received a share of an amount of € 19 million according to its final position in the league table. The German Champion was awarded €2.75million, the runner-up € 2.25million, the third received €1.75million and the fourth and fifth club € 1.25million each. The remaining amount of € 9.75million was evenly distributed among the other 13 clubs.</p> <p data-bbox="496 1612 1474 1787">The second share of the international pot amounting to € 11million was allocated to the clubs appearing in UEFA’s club competitions within the last five years preceding the current season. These are those clubs that have scored the UEFA coefficient of the German league. The clubs received their share of this pot according to their contribution to the German coefficient. Applicable to the 2009/2010 season when the shares amounted to €11million, the largest shares of roughly €2.4 million went to Bayern Munich and Werder Bremen who both qualified for the UEFA competitions in all five years.</p> <p data-bbox="496 1816 1474 1933">To summarize, the allocation of centrally marketed revenues rewards sporting merit in domestic and international competitions as far as deemed necessary but is clearly founded on solidarity within and between the two leagues. Parachute payments don’t apply exclusively to relegated clubs but to the clubs in Bundesliga 2 in general.</p>



LEAGUES		ANSWE
 <p>Lega Nazionale Professionisti *1</p>	ITA	<p>In pursuance of the Decree Law nr9, of 09 January 2008:            10% of the revenues for the purpose of the “general solidarity of the system”.            The remaining amount is levied in the following way:            40% in equal parts among all Serie A TIM clubs based on the so-called market pool,            25% according to the number of fans in each club and            5% according to the population of every team city            30% (5%+15%+10%) based on sporting results following these criteria            (i) 5% according to the results of the current season            (ii) 15 % according to the results of the previous 5 season            (iii)10% according to the historical results since season 46 /47</p>
 <p>Lega Pro</p>	ITA	Guidelines are arranged and approved by the League’s General Assembly and by the Guarantor Authority
 <p>Eredivisie NV</p>	NED	<p>- 50% based on sporting merit;            - 50% based on commercial market value.</p>
 <p>Liga Portuguesa de Futebol Profissional</p>	POR	<p>League Cup            25% 1st Phase            25% 2nd Phase            32,5% 3rd Phase            13,5% Semi-final            9% Final</p>
 <p>Russian Football Premier League</p>	RUS	<p>40% of all revenues are divided in equal shares among all Premier League clubs            20% of all revenues are divided among clubs directly proportional to number of transmissions of respective club on national channel in current season            40% of all revenues are divided among clubs participants of previous season depending on the final league position</p>
 <p>Scottish Premier League</p>	SCO	<p>48% divided equally amongst all SPL Clubs            52% allocated on the basis of final league position.</p>
 <p>Liga Nacional de Fútbol Profesional</p>	SPA	<p>Naming rights of competitions            - 60 % to Liga BBVA            - 40% to Liga Adelante</p>
 <p>Foreningen Svensk Elitfotboll</p>	SWE	<p>11% activities in the League for the clubs            55% equal share among clubs            10% final position in the league            8% TV matches in main channels            16% second division</p>
 <p>Swiss Football League</p>	SWI	<p>50% of the amount: solidarity (all the clubs of the top-division receive the same amount)            50% of the amount: in accordance with the ranking</p>

\*1 Although this study started with the Lega Nazionale Professionisti (ITA), the information above mentioned refers to season 2010/2011 with regards to newly formed Lega Serie A (ITA).



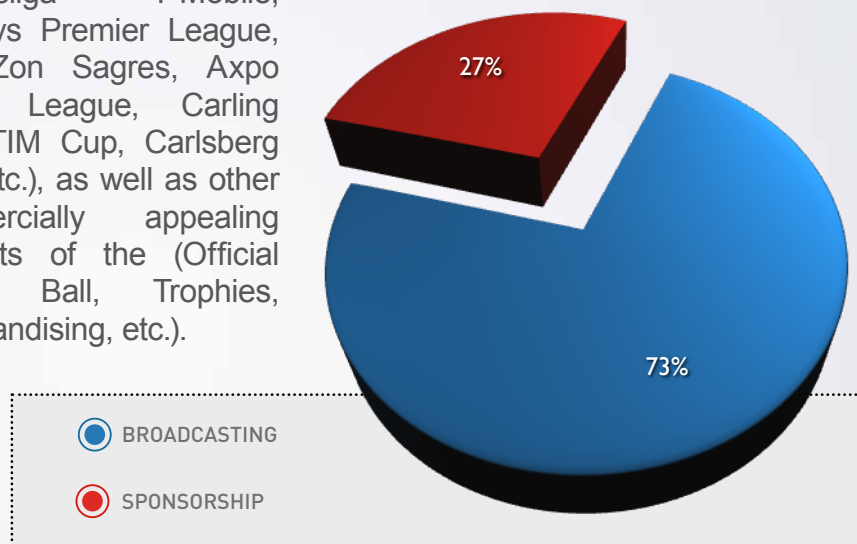
## 2.3. Overall revenues generated by the Leagues in terms of media/commercial rights during the 2008/2009 season

As **Chart 4** illustrates, the Leagues' main income source is undoubtedly related to **broadcasting rights**. 73 % of the Leagues' revenues, excluding **Liga Nacional de Fútbol Profesional (SPA)** are generated by the selling of these rights. This certainly emphasises the need to confer strengthened protection to the intellectual property rights of competitions organisers, such as the EPFL member Leagues.

Other sources of revenues are also explored by the Leagues. In effect, sponsorship represents 26 % of the total revenues of all examined

Leagues. Sponsors mainly seek to be associated to the Leagues' competitions naming right (e.g. tipp3 Bundesliga T-Mobile, Barclays Premier League, Liga Zon Sagres, Axpo Super League, Carling Cup, TIM Cup, Carlsberg Cup, etc.), as well as other commercially appealing products of the (Official Match Ball, Trophies, Merchandising, etc.).

CHART 4 – LEAGUES' REVENUES



## 2.4. “Parachute Payments” Systems

Some Leagues already assure and compensate clubs which are relegated, within their general solidarity mechanism structure, as it is in the case of the **Bulgarian Professional Football League (BUL)**, **DFL Deutsche Fußball Liga GmbH (GER)**, **Lega Pro (ITA)**, **Liga Portugal (POR)**, **Foreningen Svensk Elitfotboll (SWE)**, **Swiss Football (SWI)**. Nevertheless a different type of vertical solidarity system

has been also implemented by other Leagues by means of distributing a certain portion of their television revenues to clubs that are relegated to a lower division, in the form of “parachute payments”. This so called “**Parachute Payments**” to relegated Clubs are designed to help teams adjust to the substantial loss in terms of broadcasting and sponsorship revenues which results from such relegation. They help

clubs to alleviate such financial difficulties and prevent possible bankruptcies. As **Chart 5** describes, 53 % of the Leagues offer “Parachute Payments”.

Here, again, different models are applied across Europe.

The **Österreichische Fußball Bundesliga (AUS)** provides a total amount of € 110 000 for the first season if the beneficiary clubs fulfill certain conditions,



such as the number of Austrian players and a minimum amount of U-22 players on each match report and depending on the “Austrian pot”.

In Denmark, the system foresees **Divisionforeningen (DEN)** giving € 300 000 to every

(unless a club is promoted again within that period). Under this system, a payment is made to the relegated club in order to soften the financial impact of relegation with reduced revenues and continuing high wage costs for players signed during membership of the

In addition, in England, the **Football League’s (ENG)** clubs relegated from the Championship and League One, receive a parachute payment for one season only. Exceptionally, the clubs which are relegated from League Two also receive a parachute payment for one season, in case they comply with certain obligations required by the League. The clubs relegated from the Championship to League One receive each € 144 000, and those demoted from League 1 to League Two € 60 000, and from League 2 to the Football Conference € 270 000.



club relegated from the SAS Ligaen (Premier Division) to the Viasat Divisionen (1st Division).

In England, The **Premier League (ENG)** operates a parachute system for the three clubs that are relegated annually, for a period of up to four years after relegation

Premier League. The Parachute Payment System operates as described under the Premier League’s criteria for distribution of revenues as detailed under Chart 3 above. The amount of parachute money paid to a relegated club over a four year period currently amounts to € 50m.

The clubs belonging to the **Ligue de Football Professionnel (FRA)** receive parachute payments for two years if they are relegated from Ligue 1 or from Ligue 2, and if they maintain their professional status during each season. For clubs relegated from Ligue 1 to Ligue 2, the parachute payment amount is € 2 million per club throughout the first season and € 1 million per club during the second season. For clubs relegated from Ligue 2 to the National Championship (Second Division), the parachute payment amount is of € 700 000 and € 350 000 per club during the first and second seasons accordingly.



**Lega Nazionale Professionisti (ITA)** divided in July 2010 into two different Leagues **Lega Serie A (ITA)** and **Lega Serie B (ITA)**. In this the newly formed **Lega Serie A (ITA)**, the relegated clubs to **Lega Serie B (ITA)** that participated two or more seasons in a row in **Lega Serie A (ITA)** shall receive, during two years, € 5 million for the first season and € 2,5 million for the second season. On the other hand, relegated clubs which have participated only one year in a row in **Lega Serie A (ITA)**, will only receive half of the alluded amounts.

In the **Eredivisie NV (NED)**, the amount provided to the relegated clubs is € 200.000, for each year the club relegated

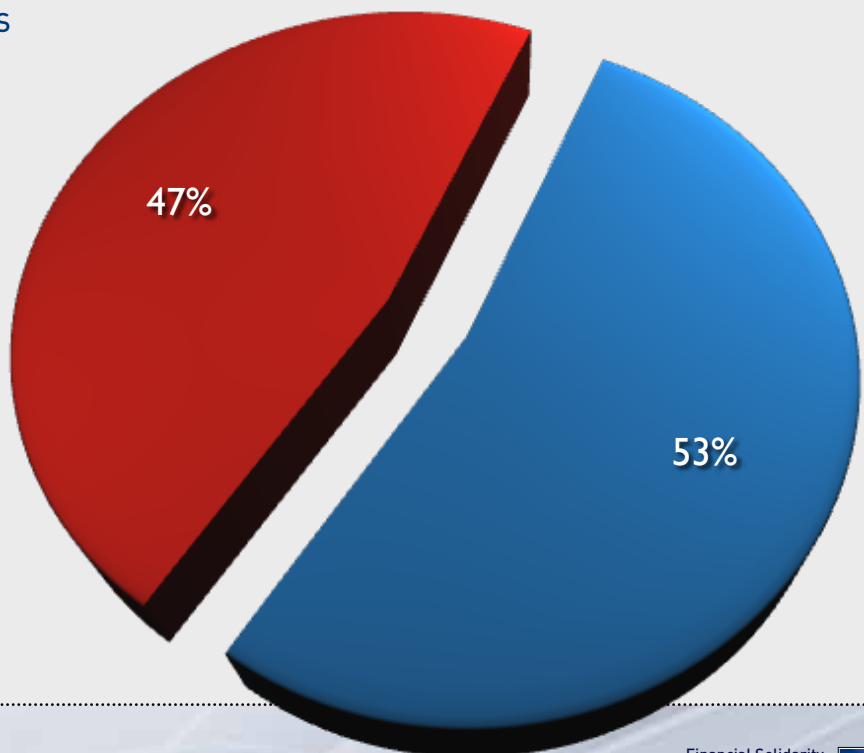
played in the League, being the maximum amount € 600.000. The amount declines € 200.000 each year. So the maximum amount is, in the first year € 600.000, in the second year €400.000 and in the third year € 200.000 for the clubs which played three or more years in the **Eredivisie NL (NED)** prior to the relegation.

The **Scottish Premier League (SCO)** model is similar to the one in France, meaning that the clubs relegated from the Premier Division to the First Division receive parachute payments during two seasons, being the amount distributed in the first (€ 300 000) higher than the amount distributed in the second season (€ 150 000).

Against this background, the **Liga Nacional de Fútbol Profesional (SPA)** does not contemplate solidarity payments between Liga BBVA and Adelante. Parachute payments are just made to the clubs relegated from Liga Adelante to the Second Division. "Parachute Payments" are made through the refund of the inscription fee for Liga Adelante and other additional payments to be performed to each relegated club. During the season 2009/10, € 2 145 000 were paid to each relegated club.

CHART 5 – PARACHUTE PAYMENTS

- |        |        |
|--------|--------|
| ● YES  | ● NO   |
| AUS    | BUL    |
| DEN    | FIN    |
| ENG PL | GER    |
| ENG FL | ITA LP |
| FRA    | POR    |
| ITA LC | RUS    |
| SCO    | SWE    |
| SPA    | SWI    |
| NED    |        |



### 3 – UEFA Club Competitions Solidarity Payments

Alongside with sporting merit and development of the competition, solidarity is one of the primary principles for the distribution of the UEFA club competitions revenues.

The clubs taking part in the competition are not the only ones benefiting from the revenues generated by the UEFA club competitions, the other beneficiaries are the Leagues' Premier Divisions of all UEFA Member Associations. The money hand out is only for the clubs not participating in the UEFA Champions League or Europa League group stage onwards since, the Clubs reaching these phases are already profiting from the prize money of the competition.

If we address specifically the case of the main UEFA competition, namely the UEFA Champions League (UCL), there are two categories for the distribution of the revenues. The first group, which includes the Leagues

with clubs participating in the competition, receives the greater amount. The other cluster, which refers to the European Leagues without clubs participating in the group stage onwards of this top European Club Competition.

Before starting an in-depth analysis of the financial distribution model applied by UEFA, it is important to refer that two of the Leagues involved in this survey were not considered in this section, since they represent Lower Divisions at National Level with no involvement in competitions at European level, i.e. **Lega Pro (ITA)** and **The Football League (ENG)**

In this section of the report, we will approach the following themes:

- The UCL revenues achieved by clubs in the past 3 season
- Criteria for financial distribution and entity responsible for its establishment

#### 3.1 The UCL revenues achieved by clubs in 2006/2007, 2007/2008 and 2008/2009

As mentioned in the introduction, the Leagues which have clubs participating in the UEFA Champions League obtain more revenues rather than the ones with not participating Clubs at the group stage onwards.

What we can observe in **Chart 6** is that the Top five Leagues are undoubtedly the ones profiting more from these payments during the mentioned past 3 seasons, being **Lega Nazionale Professionisti (ITA LP)**, the entity with the major amount of "Solidarity Payments" allocated, €19 527 000. It is noteworthy that out of the Leagues assessed by the Report, the **Österreichische Fußball Bundesliga (AUS)** is the one with less revenues received in this concept, with a total amount of € 993 290.

The total amount distributed for the development of youth football within the referred period, considering only the total number of the Leagues here represented, was of € 87'042'393.

Please observe **Chart 6** below for a complete overview of the aforementioned situation:

CHART 6 – REVENUES PERCEIVED BY LEAGUES IN THE 2006/2007, 2007/2008 AND 2008/2009

LEAGUES		ANSWER
 Österreichische Fußball Bundesliga	AUS	Season 2008/2009: € 329 500 Season 2007/2008: € 323 100 Season 2006/2007: € 340 690



LEAGUES		ANSWER
 Bulgarian Professional Football League	BUL	Season 2008/2009: € 181 200 Season 2007/2008: € 177 143 Season 2006/2007: € 645 762
 Divisionforeningen	DEN	Season 2008/2009: € 995 847 Season 2007/2008: € 400 000 Season 2006/2007: € 1 036 160
 The Premier League	ENG	Season 2008/2009: € 6 324 000 Season 2007/2008: € 6 562 000 Season 2006/2007: € 6 515 000
 Veikkausliiga	FIN	Season 2008/2009: € 180 600 Season 2007/2008: € 180 200 Season 2006/2007: € 180 200
 Ligue de Football Professionnel	FRA	Season 2008/2009: € 3 657 000 Season 2007/2008: € 3 545 000 Season 2006/2007: € 3 408 990
 DFL Deutsche Fußball Liga GmbH	GER	Season 2008/2009: € 4 161 000 Season 2007/2008: € 4 205 000 Season 2006/2007: € 4 056 000
 Lega Nazionale Professionisti	ITA	Season 2008/2009: € 6 453 000 Season 2007/2008: € 6 609 000 Season 2006/2007: € 6 465 000
 Eredivisie NV	NED	No information. The National Association is in charge of distributing the revenues providing from the UEFA Champions League
 Liga Portuguesa de Futebol Profissional	POR	Season 2008/2009: € 810.000 Season 2007/2008: € 901.000 Season 2006/2007: € 848.000
 Russian Football Premier League	RUS	Season 2008/2009: € 575 000 Season 2007/2008: € 639 000 Season 2006/2007: € 584 000



LEAGUES		ANSWER
 Bulgarian Professional Football League	BUL	Season 2008/2009: € 181 200 Season 2007/2008: € 177 143 Season 2006/2007: € 645 762
 Scottish Premier League	SCO	Season 2008/2009: € 1 140 000 Season 2007/2008: € 1 170 000 Season 2006/2007: € 960 000
 Liga Nacional de Fútbol Profesional	SPA	Season 2008/09: € 3 850 000 Season 2007/08: € 3 946 000 Season 2006/07: € 3 861 000
 Foreningen Svensk Elitfotboll	SWE	Season 2008/2009: € 275 300 Season 2007/2008: € 271 000 Season 2006/2007: € 282 900
 Swiss Football League	SWI	Season 2008/2009: € 320 000 Season 2007/2008: € 375 000 Season 2006/2007: € 660 000

\* ENG FL and ITA LP have no participating clubs therefore are not included

## 3.2 Criteria for financial distribution and entity responsible for its establishment

The distribution procedure is delegated from UEFA to the national associations which in most of the cases will further transfer the money to their top Leagues, in order for them to share the revenues to their member Clubs, according to the UEFA requirements that mainly focus on the allocation of that money into the development of Youth

Football. Only clubs running a Youth Academy, according to the UEFA approved National Club Licensing System, will be allowed to receive “Solidarity Payments”.

It is also important to stress that almost all Leagues, covered by this Report are the entities responsible when determining the criteria and for distributing such

money. Moreover, the Leagues are again in charge of defining a set of rules in order to make sure that the funds are correctly allocated for the purposes set out in the UEFA Club Licensing Manual. Only in the Netherlands, the National Association is in charge of determining the criteria and distribute the funds.



As **Chart 7** portrays, there is no best practice and approach in this field. Some Leagues distribute the money according to sporting merits, whilst others divide it equally among some or all their affiliated clubs and even sometimes share it with lower divisions. **Chart 7** provides a better understanding on the criteria implemented by each League:

**CHART 7 – ESTABLISHED CRITERIA FOR THE DISTRIBUTION OF UEFA CHAMPIONS LEAGUE “SOLIDARITY PAYMENTS”**

LEAGUES		ANSWER
	AUS	A fixed sum of € 145 350 is awarded to the 29 regional youth education centers (“LAZ”). The remaining amount is awarded in accordance with the different quality grades in junior training (BL = Bundesliga Klub, BNZ = Bundesliga junior center, AKA = Young Academy), except for the clubs participating in the UEFA Champions League’s group stage onward



LEAGUES		ANSWER
 Bulgarian Professional Football League	BUL	55% Premier Division, except for the clubs participating in the UEFA Champions League group stage onwards. 45% Second Division
 The Premier League	ENG	Total amount equally shared among all clubs, except for the clubs participating in the UEFA Champions League's group stage onwards.
 Veikkausliiga	FIN	Total amount equally shared among all clubs, except for the clubs participating in the UEFA Champions League's group stage onwards.
 Ligue de Football Professionnel	FRA	The payments are distributed according to the national ranking of the youth training activity center (fixed amount per category), except for the clubs participating in the UEFA Champions League's group stage onwards.
 DFL Deutsche Fußball Liga GmbH	GER	<p>There is a close link between the quality of youth development and the money what is allocated to each eligible club on an individual assessment.</p> <p>Continuous certification of all Youth Academies of the professional clubs by an independent auditing company in cooperation with DFL and DFB for best-possible development and formation of young talents</p> <p>Quality analysis based on standardized and elaborated parameters            Detailed feedback process to youth academy managers and trainers to optimize the results of their work            Degree of certificate (none to three "stars" for highest quality found) serves as rationale for the distribution of UEFA CL's solidarity payment</p> <p>Examination of over 200 criteria in individual sections with the following eight key quality parameters</p> <ul style="list-style-type: none"> <li>Basic product: football coaching</li> <li>Organisation</li> <li>Effectiveness</li> <li>Administrative policies and strategies</li> <li>Infrastructure and equipment</li> <li>Medical, mental and academic assessment</li> <li>Internal marketing and personnel administration</li> <li>External relations and scouting</li> </ul> <p>The total money which can be distributed is divided through the amount of stars in the eligible academies of the clubs composing Bundesliga and Bundesliga 2 (clubs participating in UEFA's CL are excluded from that distribution); thus the "worth" of a star attributed in the certification process may vary over time since all academies are improving constantly their quality and consequently the result of the certification process.</p>



LEAGUES		ANSWER
 <p>Lega Nazionale Professionisti</p>	ITA	Equal shares to all Serie A TIM and Serie B TIM clubs , provided that they comply with the requirement of an approved youth development programme according to the UEFA Club Licensing Manual and that did not take part in the UEFA Champions League's group stage onwards.
 <p>Eredivisie NV</p>	NED	Total amount equally shared among all clubs, except for the clubs participating in the UEFA Champions League's group stage onwards.
 <p>Liga Portugal</p>	POR	The total amount is equally distributed by all the 1st division and 2nd division Clubs, except for the clubs participating in the UEFA Champions League's group stage onwards.
 <p>Russian Football Premier League</p>	RUS	Solidarity Payments are divided equally among all clubs having youth training facilities, except for the clubs participating in the UEFA Champions League's group stage onwards.
 <p>Scottish Premier League</p>	SCO	Payments are distributed depending on the quality of youth training programmes.
 <p>Liga Nacional de Fútbol Profesional</p>	SPA	The total amount is divided equally between the clubs of the Liga BBVA and Liga Adelante, except for the clubs participating in the UEFA Champions League's group stage onwards.
 <p>Foreningen Svensk Elitfotboll</p>	SWE	The total amount is divided according to the youth development programmes, except for the clubs participating in the UEFA Champions League's group stage onwards.
 <p>Swiss Football League</p>	SWI	The UCL solidarity payments are distributed according to the club's level of training of young players, except for the clubs participating in the UEFA Champions League's group stage onwards.

\* ENG FL and ITA LP have no participating clubs therefore are not included



## ANNEX 1 - List of Participating Leagues

	LEAGUES	COUNTRY			COMPETITION/S
	Österreichische Fußball Bundesliga	Austria		AUS	tipp3-Bundesliga powered by T-Mobile Erste Liga
	Bulgarian Professional Football League	Bulgaria		BUL	Bulgarian A Professional Football Group Bulgarian B Professional Football Group (East & West)
	Divisionsforeningen	Denmark		DEN	SAS Liga Viasat Sport Divisionen Danish 2nd Division
	The Premier League	England		ENG (PL)	The Premier League
	Veikkausliiga	Finland		FIN	Veikkausliiga
	Ligue de Football Professionnel	France		FRA	Ligue 1 Ligue 2
	DFL Deutsche Fussball Liga GmbH	Germany		GER	Bundesliga 2. Bundesliga
	Lega Nazionale Professionisti	Italy		ITA (LC)	Serie A TIM Serie B TIM
	Eredivisie NV	Netherlands		NED	Eredivisie
	Liga Portugal	Portugal		POR	Liga Sagres Liga Vitalis
	Russian Football Premier League	Russia		RUS	Rosgosstrakh Russian Football Championship
	Scottish Premier League	Scotland		SCO	Scottish Premier League
	Liga Nacional de Fútbol Profesional	Spain		SPA	Primera División Segunda División
	Foreningen Svensk Elitfotboll	Sweden		SWE	Allsvenskan Superettan
	Swiss Football League	Switzerland		SWI	Axpo Super League Challenge League
	The Football League	England		ENG (FL)	The Championship League One League Two
	Lega Pro	Italy		ITA (LP)	Serie C1 Serie C2



## Annex 2 - Clubs rewarded with UEFA Champions League “Solidarity Payments” in season 2008/2009

LEAGUES		ANSWER
 Österreichische Fußball Bundesliga	AUS	Tipp3 Bundesliga T-Mobile Cashpoint SCR Altach - SV Mattersburg - KSV Superfund - SV Josko Fenster Ried - LASK Linz - SK Austria Kelag Kärnten
 Bulgarian Professional Football League	BUL	Group A Levski - Pirin Blagoevgrad - CSKA Sofia - Litex - Lokomotiv Sofia - Lokomotiv Plovdiv - Slavia Sofia Cherno More - Belasitza - Lokomotiv Mezdra - Minior Pernik - Vihren - Sliven 2000 - Spartak Varna Chernomorec Bourgas - Botev Plovdiv - Beroe
 Divisionforeningen	DEN	SAS Liga AC Horsens - Aarhus GF - Brøndby IF - Esbjerg fB - FC Copenhagen - FC Midtjylland - FC Nordsjælland - OB Randers - FC SønderjyskE - Vejle BK
 The Premier League	EN	Fulham - Hull City - Manchester City - Portsmouth - Stoke City - Sunderland - Tottenham Hotspur West Ham United - Wigan Athletic - Wolverhampton Wanderers
 The Football League	ENG FL	No participating clubs
 Veikkausliiga	FIN	FC Haka - Helsingin jalkapalloklubi (HJK) - FC Honka - IFK Mariehamn - FC Inter - FF Jaro - Jyväskylän Jalkapalloklubi (JJK) - Kuopion Palloseura (KuPS) - FC Lahti - Myllykosken Pallo (MyPa) - Rovaniemen Palloseura (RoPS) - Tampere United - Turun Palloseura (FC TPS) - Vaasan Palloseura (VPS)
 Ligue de Football Professionnel	FRA	LIGUE 1 Auxerre - Caen - Grenoble - Le havre - Le mans - Lille - Lorient - Monaco - Nancy - Nantes - Nice - PSG - Rennes - Saint etienne - Sochaux - Toulouse - Valenciennes  LIGUE 2 Amiens - Bastia - Chateau roux - Guingamp - Lens - Metz - Montpellier - Reims - Sedan - Strasbourg - Troyes
 DFL Deutsche Fußball Liga GmbH	GER	BUNDESLIGA Arminia Bielefeld - Bayer Leverkusen - Bochum - Borussia Dortmund - Borussia M'Gladbach - Köln - Energie Cottbus - Eintracht Frankfurt - Hamburger - Hannover - Hertha Berlin - Hoffenheim - Karlsruhe - Schalke 04 - Stuttgart - Wolfsburg  2.BUNDESLIGA Freiburg - Mainz 05 - Nürnberg - Alemannia Aachen - Greuther Fürth - MSV Duisburg - Kaiserslautern - St. Pauli - Rot-Weiß Oberhausen - Rot Weiss Ahlen - Augsburg - 1860 München - Hansa Rostock - Koblenz - FSV Frankfurt - Osnabrück - Ingolstadt - Wehen Wiesbaden



LEAGUES		ANSWER
 Lega Nazionale Professionisti	ITA	Serie A TIM Atalanta - Bari - Bologna - Cagliari - Chievo - Genoa - Lazio - Livorno - Milan - Napoli - Palermo - Parma - Sampdoria - Siena - Udinese  Serie B TIM Albinoleffe - Ascoli - Brescia - Cesena - Cittadella - Empoli - Forlino - Gallipoli - Lecce - Mantova - Modena - Padova - Piacenza - Reggina - Torino - Triestina - Vicenza
 Lega Pro	ITA	No participating clubs
 Eredivisie NV	NED	ADO Den Haag - Ajax - AZ Alkmar - Feyenoord - De Graafschap - Groningen - Heerenveen - Heracles - NAC Breda - NEC - Roda JC - Sparta Rotterdam - Twente - Utrecht - Vitesse - Volendam - Willem II
 Liga Portugal	POR	Liga Zon Sagres Académica de Coimbra - Belenenses - Sporting de Braga - Estrela da Amadora - Leixões - Marítimo - Nacional - Naval 1º de Maio - Paços de Ferreira - Rio Ave - Trofense - Vitória de Guimarães - Vitória de Setúbal  Liga Vitalis Olhanense - U. Leiria - Santa Clara - Estoril - Feirense - Freamunde - Sp. Covilhã - Varzim - Gil Vicente - Vizela - D. Aves - Beira-Mar - Portimonense - Oliveirense - Boavista - Gondomar
 Russian Football Premier League	RUS	FC Amkar Perm - FC Zenit St. Petersburg - FC Lokomotiv Moscow - FC Luch-Energiya Vladivostok - FC Rubin Kazan - FC Saturn Moscow Region - FC Spartak Moscow - FC Spartak Nalchik - FC Terek Gorzny - FC Tom Tomsk - PFC CSKA Moscow - FC Shinnik Yaroslavl - FC Moscow
 Scottish Premier League	SCO	Aberdeen FC - Dundee United FC - Falkirk FC - Hamilton Academical FC - Heart of Midlothian FC - Hibernian FC - Inverness - Caledonian Thistle FC - Kilmarnock FC - Motherwell FC - Rangers FC - St Mirren FC
 Liga Nacional de Fútbol Profesional	SPA	Liga BBVA Almería - Athletic Bilbao - Betis - Deportivo de la Coruña - Espanyol - Getafe - Málaga - Mallorca - Numancia - Osasuna - Racing Santander - Recreativo de Huelva - Sevilla - Sporting Gijón - Valencia - Valladolid  Liga Adelante Alavés - Albacete - Alicante - Castellón - Celta de Vigo - Córdoba - Eibar - Elche - Gimnàstic Tarragona - Girona - Hércules - Huesca - Las Palmas - Levante - Murcia - Rayo Vallecano - Real Sociedad - Salamanca - Sevilla Atlético - Tenerife - Xerez - Zaragoza
 Foreningen Svensk Elitfotboll	SWE	Allsvenskan AIK, Djurgårdens IF - IF Elfsborg, GAIS - Gefle IF - IFK Göteborg - Halmstads BK - Hammarby IF - Helsingborgs IF - Kalmar FF - Ljungskile SK - Malmö FF - IFK Norrköping - GIF Sundsvall - Trelleborgs FF - Örebro SK
 Swiss Football League	SWI	Axpo Super League BSC Young Boys - FC Zürich - Grasshopper-Club Zürich - FC Sion - FC Lucerne - Neuchâtel - XamaxFC - Aarau - AC Bellinzona - FC Vaduz

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