Proskauer

King's Speech 2024: A Renewed Plan for a Football Regulator

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Background

On 17 July 2024, the King of the United Kingdom delivered a speech to mark the opening of a new UK Parliament (the "**Speech**"). The Speech set out the new UK Government's priorities, following their election victory. This included the proposed introduction of the Football Governance Bill (the "**Bill**"), to establish an independent football regulator that would seek to ensure "greater sustainability in the game and strengthen protections for fans".

This signals the proposed revival of similar legislation introduced by the previous UK Government (which we wrote about here). Many of the changes expected to be introduced by the Bill (summarised below) were also set out in its previous iteration.

Key Changes

As per the background briefing notes to the Speech published by the UK Government, the key changes currently expected to be introduced by the Bill include:

- **An independent football regulator:** The proposed regulator would oversee a licensing system requiring clubs to obtain a licence to operate as professional football clubs, ensure the financial stability of individual clubs, enhance the financial resilience of the overall English football system, and protect the heritage of the clubs.
- **Financial regulation:** To reduce the risk of financial failure, the Bill would introduce financial regulations to protect the resilience of clubs – including rules around financial practices and resources.
- **Strengthened owners' and directors' test:** This would ensure that the custodians of each club have suitable experience and financial resources, to reduce the risk of mismanagement.
- **Fan engagement:** The Bill would establish minimum standards for fan engagement – for example, requiring fan approval for changes to the club badge and home shirt colors. Existing FA protections for fans would also be incorporated

into statute.

- **Stadium sales / relocation:** Such transactions would be subject to approval by the independent regulator.
- **Alternative leagues:** The Bill would prevent clubs from joining closed-shop, breakaway or unlicensed leagues, such as the European Super League.
- **Financial distributions:** The Bill would ensure fair financial distributions between leagues, including certain backstop powers for the independent regulator if the sustainability of football is at risk.
- **Corporate Governance:** The Bill would establish a "Football Club Corporate Governance Code" that would be reported on annually, encouraging good governance in the management of football clubs.

Next Steps

The Bill has yet to be formally laid before the UK Parliament and the final proposed text remains to be seen. Given such legislation was also proposed by the previous UK Government, however, cross-party support for the Bill is currently expected. Interested parties should begin to familiarise themselves with the proposed changes.

View original.

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