FINANCIAL CONTROL AND TRANSFER LAW IN FOOTBALL: UEFA EXPERIENCE AND A NATIONAL MODEL FOR UZBEKISTAN

Haydarov Davron Mustafo o‘g‘li
Independent Researcher (PhD), Tashkent State University of Law

DOI: https://doi.org/10.5281/zenodo.24329812 · Received: 12 November 2026 · Accepted: 15 November 2026 · Published: 18 November 2026

Abstract: This article examines the interrelationship between UEFA’s Financial Fair Play (FFP) regulations and FIFA’s transfer system, with a particular focus on the development of a national financial control model for Uzbek football. The research employs formal-legal, comparative-legal, and systematic analysis methods. The principal regulatory instrument examined in the study is Resolution No. PQ-107 of the President of the Republic of Uzbekistan, dated 24 March 2026. The analysis reveals that the Resolution establishes the level of sponsorship funding as a criterion for placing a football club under trust management, whereas the UEFA financial control system is based on ensuring a direct relationship between clubs’ expenditure and their revenue. This indicates a structural imbalance between the two approaches. The article also analyses the requirements of the Uzbekistan Professional Football League (UzPFL) Club Licensing Regulations, identifying existing mechanisms for financial reporting and monitoring of outstanding liabilities, while highlighting the absence of a specific expenditure cap.

Keywords: Financial Fair Play, financial sustainability, club licensing, transfers, trust management, sports law

INTRODUCTION

The economic activities of professional football clubs are largely associated with player transfers, remuneration of players, and the fulfilment of other contractual obligations. Therefore, maintaining a balance between ensuring the financial sustainability of football clubs and the rational management of transfer expenditure constitutes one of the significant issues in contemporary sports law.

In Europe, these relationships are primarily regulated by financial control rules developed by the Union of European Football Associations (UEFA). These rules were initially introduced in 2010 under the name Financial Fair Play (FFP). Since 2022, they have been transformed into a new regulatory framework known as the UEFA Club Licensing and Financial Sustainability Regulations.

Relations concerning player transfers, the legal status of footballers, and contracts concluded between players and clubs are governed by FIFA’s Regulations on the Status and Transfer of Players (RSTP).

Although UEFA’s financial sustainability regulations and FIFA’s transfer regulations have been adopted by different international football organisations and are intended to regulate distinct relationships, they are closely interconnected in the activities of professional football clubs. In particular, decisions concerning player acquisitions, transfer payments, and player salaries must simultaneously comply with FIFA’s transfer requirements and UEFA’s financial sustainability standards. Consequently, examining these two regulatory systems in conjunction is essential for conducting a comprehensive analysis of the financial and legal activities of professional football clubs.

In Uzbekistan, the regulation of the financial activities of professional football clubs entered a new stage in 2026. In particular, Resolution No. PQ-107 of the President of the Republic of Uzbekistan, dated 24 March 2026, introduced measures aimed at attracting business entities to professional football clubs, transferring clubs into trust management, improving financing mechanisms, and bringing club operations into compliance with the requirements of international football organisations.

The scientific novelty of this research lies in its analysis of the compatibility of the financial activities of Uzbek football clubs with UEFA’s financial control regulations, transfer law, and the provisions of Presidential Resolution No. PQ-107. Previous domestic studies have primarily focused on sports contracts and the legal status of athletes without directly addressing these issues.

One of the significant aspects of the Resolution is its emphasis on audit and reporting mechanisms aimed at strengthening supervision over the financial activities of professional football clubs. This establishes a legal foundation for improving the efficiency of financial resource utilisation, strengthening financial discipline, and ensuring transparency in the economic activities of clubs.

At the same time, an important scientific and practical question arises: on what legal basis and through which procedures should the auditing and financial reporting of professional football clubs, the monitoring of transfer expenditure, and the assessment of clubs’ financial sustainability be conducted?

Thus, although the legal foundations for supervising the financial activities of professional football clubs in Uzbekistan are being established, there remains a need for more detailed legal regulation of specific supervisory mechanisms, assessment criteria, and their relationship with transfer policies.

The central problem is that the Resolution establishes sponsorship contributions amounting to at least 20 per cent of a club’s annual expenditure as a criterion for transferring the club into trust management, whereas the fundamental principle of UEFA’s system is to link club expenditure to revenue. This demonstrates a discrepancy between the two approaches.

This study analyses the interrelationship between UEFA’s financial control system and FIFA’s transfer regulations and develops proposals for establishing a national financial control model for Uzbekistan. To achieve this objective, the research examines the evolution and legal nature of UEFA’s

© 2026 Bulletin of International Journals · Germany · ISSN 2750-3402 · CC BY 4.0

financial control framework, sanctions and judicial review, the principal sources of transfer law, the interaction between the two regulatory systems, Uzbekistan's existing legal and financial framework, the criteria established by the UzPFL Club Licensing Regulations, and Presidential Resolution No. PQ-107 of 24 March 2026, entitled "On Measures to Improve Financing Mechanisms in the Sports Sector and Expand the Involvement of Business Entities in the Sector."

UEFA's financial control system has developed gradually in Europe. The initial framework, known as Financial Fair Play, established the fundamental requirement that clubs balance their relevant expenditure against their revenue.

On 1 June 2022, this framework was replaced by the UEFA Club Licensing and Financial Sustainability Regulations, which are based on three pillars: solvency, stability, and cost control.

The most significant reform in expenditure control was the introduction of the squad cost rule. Under this rule, the combined expenditure on player and coach salaries, amortisation of transfer fees, and payments to agents must not exceed a prescribed proportion of club revenue.

Article 94 of the UEFA Regulations establishes this limit at 70 per cent. The implementation of this requirement was carried out gradually.

Furthermore, under the football earnings requirement, the permitted aggregate deficit over a three-year period may reach EUR 60 million, provided that a substantial proportion is covered by contributions from club owners.

From a legal perspective, these provisions do not constitute state legislation. Rather, they are internal regulations established by UEFA, a private organisation, as conditions for participation in its competitions.

Clubs voluntarily accept these requirements when participating in UEFA competitions. Consequently, questions concerning the legality of these regulations are generally examined from the perspective of European Union competition law.

The 2022 reforms also transformed the underlying logic of the system. While the previous framework primarily sought to prevent clubs from operating at excessive losses, the revised system limits overall expenditure relative to revenue, thereby restricting the ability of club owners to finance disproportionately high spending through additional capital contributions.

It should be emphasised that UEFA's financial regulations apply directly only to clubs participating in UEFA competitions. For domestic leagues, UEFA licensing requirements are incorporated into national club licensing regulations.

Compliance with these rules is supervised by UEFA's Club Financial Control Body (CFCB). Its First Chamber may impose disciplinary measures or conclude settlement agreements with clubs in cases of regulatory violations.

In practice, this mechanism is actively implemented. Following the completion of monitoring for the 2025/2026 season, the CFCB First Chamber imposed unconditional disciplinary measures on 14 clubs for violations of financial sustainability requirements and concluded three-year settlement agreements with Newcastle United and Juventus.

According to UEFA, Olympique de Marseille was fined for failing to achieve the objectives established under its settlement agreement.

These examples demonstrate the practical application of UEFA's financial regulations and indicate that financial penalties and settlement agreements constitute important enforcement instruments. Sporting sanctions may also be imposed within the framework of settlement agreements.

This system may serve as a model for Uzbekistan in three respects.

First, the first-instance decision-making body operates independently from the appellate body.

Second, disciplinary sanctions and settlement mechanisms function together, allowing clubs opportunities to rectify their financial circumstances.

Third, decisions are subject to independent review by the Court of Arbitration for Sport (CAS).

The modern foundations of the football transfer system emerged following the 1995 Bosman judgment of the Court of Justice of the European Union. This decision established that footballers whose contracts had expired could become free agents and sign contracts with clubs of their choice.

The principle of contractual stability was subsequently developed through the Webster case before the Court of Arbitration for Sport, which addressed the calculation of compensation when a player unilaterally terminates a contract before its expiration.

One of the most recent developments concerns the case involving former French footballer Lassana Diarra.

The dispute arose following Diarra's termination of his contract with Lokomotiv Moscow in 2014. Under the applicable FIFA regulations, his prospective new club, Charleroi, faced potential joint liability for EUR 10.5 million allegedly owed to his former club, while the issuance of an international transfer certificate was also restricted.

In its judgment of 4 October 2024, the Court of Justice of the European Union found that these restrictive FIFA provisions were incompatible with the principles of free movement of workers under Article 45 and competition law under Article 101 of the Treaty on the Functioning of the European Union.

This judgment prompted substantial reforms of FIFA's Regulations on the Status and Transfer of Players.

The significance of the Diarra case lies in demonstrating that football transfer regulations, like UEFA's financial control framework, are not exempt from scrutiny under European Union law.

The two regulatory systems affect football clubs in different ways. On the one hand, financial sustainability regulations establish stricter limits on club expenditure. On the other hand, developments in transfer law may weaken certain guarantees relating to the stability of employment contracts concluded with footballers.

Turning to the legal and financial foundations of Uzbek football, the principal legislative framework is the new Law "On Physical Culture and Sports", adopted on 24 March 2026 and entering into force on 25 March 2026.

The Law defines professional sport as an activity in which an athlete participates as their principal occupation and receives remuneration or wages.

© 2026 Bulletin of International Journals · Germany · ISSN 2750-3402 · CC BY 4.0

It provides that the establishment and operation of professional sports organisations shall be regulated by legislation. Sports leagues are also required to approve the regulations governing professional competitions and publish them on their official websites.

However, the Law does not contain a separate provision specifically regulating the financial supervision of football clubs.

Therefore, attention should be given to Presidential Decree No. PF-5887, "On Measures to Raise the Development of Football in Uzbekistan to a Fundamentally New Level."

Paragraph 10 of this Decree assigns the Uzbekistan Football Association responsibility for monitoring the effective utilisation of financial resources allocated to professional football clubs by state enterprises and organisations with state ownership.

Clubs participating in UzPFL competitions are required to undergo independent audits twice annually and submit quarterly financial reports.

To participate in international competitions, clubs must comply with the licensing requirements of the Asian Football Confederation (AFC).

Accordingly, mechanisms for financial reporting, debt monitoring, and licensing already exist. Nevertheless, these mechanisms are insufficient to prevent the deterioration of clubs' financial positions.

Presidential Resolution No. PQ-107 of 24 March 2026 introduced significant changes to this framework.

The Resolution establishes procedures for transferring clubs into trust management, financing through a designated Fund, and assigning local government authorities to assist football clubs.

Furthermore, paragraph 18 requires the preparation of proposals concerning the management of clubs' financial activities, mandatory annual audits, the attraction of extra-budgetary and sponsorship funds, and the assessment of commercial performance.

However, the principal national instrument governing the supervision of football clubs is the Club Licensing Regulations adopted at the meeting of the Executive Committee of the Uzbekistan Football Association on 14 May 2021.

These Regulations were developed on the basis of the AFC Club Licensing Regulations and establish the conditions for granting licences to professional football clubs participating in competitions organised by the UFA and UzPFL.

The licensing criteria are divided into five categories: sporting, infrastructure, personnel, legal, and financial.

They are also classified into three grades:

- Grade A: Failure to satisfy the criterion results in refusal of a licence.
- Grade B: Non-compliance may lead to sanctions, although the club may still obtain a licence.
- Grade C: The criterion is advisory in nature.

In this respect, the national system resembles UEFA's club licensing framework. However, the examined regulatory text does not contain a proportional expenditure limitation comparable to the squad cost ratio.

The financial criteria consist of several requirements.

A club must submit annual financial statements audited by an independent auditor. Where more than six months have elapsed between the financial year-end and the licensing decision, the club must also provide reviewed interim financial statements.

Clubs must demonstrate that they have no overdue payables to other football clubs arising from transfer activities, or to employees and tax authorities.

Where outstanding liabilities exist, the club must demonstrate that the debts have been settled, payment deadlines have been extended by agreement, or an appropriate legal claim has been initiated concerning the disputed obligation.

Where an auditor's report raises concerns about the club's ability to continue as a going concern, or where negative equity is identified, the club must submit prospective financial information on a quarterly basis.

In addition, before the commencement of each season, the club must submit an annual budget containing projected revenue, expenditure, and sources of financing.

All these requirements are classified as Grade A criteria, meaning that failure to comply results in the refusal of a licence.

Overall, these requirements are functionally comparable to the principles of solvency and financial stability underlying UEFA's regulatory system.

The institutional structure of the bodies responsible for professional club licensing also resembles the CFCB model.

The Licensing Committee and Appeals Committee operate independently of each other. Their members must not simultaneously serve as licensing managers, members of the executive bodies of the UFA or UzPFL, or representatives of club management.

Consequently, it would be reasonable to grant professional football club status only to clubs holding an AFC licence.

Under the Regulations on the Status and Transfer of Players adopted by the Uzbekistan Football Association, a player is entitled to terminate their contract if the club unlawfully fails to pay at least two months of salary.

This provision connects financial discipline with the transfer system and directly influences clubs' ability to satisfy AFC licensing requirements.

The foregoing analysis demonstrates that Uzbekistan's existing national regulatory system provides for audited financial statements, debt monitoring, prospective financial reporting, and sanctions for breaches of financial discipline.

However, mechanisms restricting the relationship between club revenue and expenditure require further improvement.

Accordingly, the introduction of additional financial criteria and independent supervisory mechanisms into the existing licensing system could strengthen clubs' financial sustainability and improve the national financial control framework.

First, it is proposed that the Uzbekistan Football Association gradually introduce a Squad Cost Ratio criterion into its Club Licensing Regulations, drawing on UEFA's experience.

This criterion would limit expenditure on player and coach remuneration and other squad-related costs relative to club revenue.

© 2026 Bulletin of International Journals · Germany · ISSN 2750-3402 · CC BY 4.0

In implementing this measure, a transitional period should be established to allow clubs to adapt to the new financial requirements, taking into account the gradual reduction of state financial support and the duration of tax incentives provided under Presidential Resolution No. PQ-107 of 24 March 2026.

Second, a procedure for assessing club revenue should be introduced.

Sponsorship contributions made by business entities to clubs transferred into trust management should be assessed as related-party transactions.

Only the fair market value of such contributions should be recognised as club revenue.

Furthermore, state funding should be recorded as a separate category from private sponsorship revenue.

Third, the independence of financial supervisory bodies should be strengthened.

To ensure impartiality in the activities of licensing and appeals committees, it is proposed to involve independent auditors and legal professionals from outside the Uzbekistan Football Association.

Other independent organisations should also participate in the appointment of committee members.

In addition, a settlement mechanism should be introduced for resolving financial disputes.

These measures would contribute to improving the transparency and impartiality of financial supervisory decisions.

Fourth, procedures for appeals and dispute resolution should be improved.

It is proposed to establish the possibility of appealing decisions of club licensing appeals committees to an independent national sports arbitration body or, where applicable, to the Court of Arbitration for Sport (CAS).

Furthermore, to ensure transparency in clubs' financial activities, a mandatory requirement should be introduced for the public disclosure of independently audited annual financial statements.

Potential objections to the proposed model and responses to them

Given that the commercial revenues of Uzbek football clubs remain relatively limited, the immediate introduction of strict criteria linking expenditure to revenue could create additional financial difficulties for clubs.

Moreover, the sponsorship requirement established under Presidential Resolution No. PQ-107 of 24 March 2026 is intended to attract private investment and does not necessarily directly contradict UEFA's expenditure limitation principles.

Nevertheless, UEFA's financial control regulations have also been criticised for their potential effects on competition.

Furthermore, certain provisions of Presidential Resolution No. PQ-107 still require the preparation of additional proposals and draft regulatory legal acts.

Taking these objections into account, it would be appropriate to introduce financial control criteria gradually, assess sponsorship contributions on the basis of fair market value, and strengthen independent external supervision.

Therefore, sponsorship requirements may be applied alongside expenditure limitation criteria. However, their effectiveness will depend on gradual implementation, transparent valuation procedures, and independent oversight mechanisms.

PROPOSALS

1. Introduction of a squad cost ratio limitation

It is proposed to amend the Club Licensing Regulations of the Uzbekistan Football Association by introducing a provision establishing a maximum ratio between club revenue and expenditure on player and coach salaries, amortisation of transfer fees, and payments to football agents.

The introduction of this requirement could strengthen expenditure discipline, improve financial sustainability, and prevent the accumulation of overdue liabilities among professional football clubs.

2. Ensuring the independence of supervisory bodies

It is proposed to amend the Club Licensing Regulations of the Uzbekistan Football Association to require the inclusion of independent auditors and legal professionals in licensing and appeals committees.

This would enhance the impartiality, transparency, and reliability of decisions made within the financial supervision process.

3. Ensuring financial transparency

It is proposed to amend the Club Licensing Regulations of the Uzbekistan Football Association by introducing a mandatory requirement for clubs to publicly disclose their independently audited annual financial statements.

As a result, financial transparency could be strengthened, while opportunities for comparing the financial performance of professional football clubs would be improved.

CONCLUSION

The findings of this research demonstrate that ensuring the financial sustainability of professional football clubs cannot be limited to the accounting of revenue and expenditure alone.

Effective supervision of clubs' financial activities, alignment of expenditure with available revenue, determination of the actual value of sponsorship contributions, and independence of supervisory bodies are essential.

UEFA's experience demonstrates the importance of limiting club expenditure relative to revenue and implementing independent supervisory mechanisms to ensure financial sustainability.

At the same time, the judgment of the Court of Justice of the European Union in the Diarra case highlights the necessity of considering the rights of football clubs and players, as well as the principles of competition, when developing international football regulations.

In Uzbekistan, Presidential Resolution No. PQ-107 of 24 March 2026 and the new Law "On Physical Culture and Sports" are contributing to the establishment of a legal framework for regulating the financial activities of professional football clubs and aligning them with international standards.

The existing club licensing system provides mechanisms for monitoring financial statements, outstanding liabilities,

© 2026 Bulletin of International Journals · Germany · ISSN 2750-3402 · CC BY 4.0

and financial obligations, as well as imposing sanctions for non-compliance.

However, further development is required in relation to expenditure limitations based on club revenue and independent appeal mechanisms against decisions of supervisory bodies.

Overall, improving Uzbekistan's financial control system for professional football clubs on the basis of international experience requires supplementing the existing licensing framework with additional regulatory requirements.

The principal objective should not merely be to restrict club expenditure, but rather to ensure financial sustainability, encourage private investment, and establish a robust legal foundation for the long-term development of professional football.

References

[1] President of the Republic of Uzbekistan. (2019, December 4). Decree No. PF-5887, On Measures to Raise the Development of Football in Uzbekistan to a Fundamentally New Level.

[2] President of the Republic of Uzbekistan. (2026, March 24). Resolution No. PQ-107, On Measures to Improve Financing Mechanisms in the Sports Sector and Expand the Involvement of Business Entities in the Sector.

[3] Republic of Uzbekistan. (2026, March 24). Law No. O'RQ-1123, On Physical Culture and Sports.

[4] Fédération Internationale de Football Association (FIFA). (2025). Regulations on the Status and Transfer of Players. July 2025 edition. Zurich: FIFA.

[5] Union of European Football Associations (UEFA). (2025). Club Licensing and Financial Sustainability Regulations. 2025 edition. Nyon: UEFA.

[6] Union of European Football Associations (UEFA). (2025). Procedural Rules Governing the UEFA Club Financial Control Body. 2025 edition. Nyon: UEFA.

[7] Uzbekistan Football Association. (2021). Club Licensing Regulations. Approved at the meeting of the Bureau of the Executive Committee of the Uzbekistan Football Association on 14 May 2021.

[8] Court of Justice of the European Union. (1995). Union royale belge des sociétés de football association ASBL v Jean-Marc Bosman. Case C-415/93. Judgment of 15 December 1995. European Court Reports, p. I-4921.

[9] Court of Justice of the European Union. (2024). Fédération internationale de football association (FIFA) v BZ. Case C-650/22. Judgment of 4 October 2024. ECLI:EU:C:2024:824.

[10] Court of Arbitration for Sport. Wigan Athletic FC v Heart of Midlothian (CAS 2007/A/1298); Heart of Midlothian v Webster & Wigan Athletic FC (CAS 2007/A/1299); Webster v Heart of Midlothian (CAS 2007/A/1300).

[11] Court of Arbitration for Sport. (2020). Manchester City FC v Union of European Football Associations (UEFA). CAS 2020/A/6785. Award of 13 July 2020.

[12] Dadebaeva, Sh., & Okyulov, O. (2022). Issues related to the regulation of sports contracts in civil law. Society and Innovations.

[13] Peeters, T., & Szymanski, S. (2014). Financial Fair Play in European Football. Economic Policy, 29(78), 343–390.

[14] Szymanski, S. (2015). Money and Football: A Soccernomics Guide. New York: Nation Books.

[15] Morgan Sports Law. (2022, September 27). Financial Fair Play 2.0: The UEFA Club Licensing and Financial Sustainability Regulations.

[16] Nawaz, A., Gupta, S., Chetwood, C., & Hornan, B. (2026, February 25). Football's Financial Regulation – Towards Convergence? Secretariat International.

[17] UEFA. (2026, June 17). Update on Clubs under a Settlement Agreement in 2025/26.

[18] UEFA. (2026). Finalisation of Club Monitoring for the 2025/26 Season.

© 2026 Bulletin of International Journals · Germany · ISSN 2750-3402 · CC BY 4.0