




LIGA NACIONAL DE FÚTBOL PROFESIONAL

## STANDARDS FOR THE PREPARATION OF THE BUDGETS OF CLUBS AND SADs

FULL TEXT AND ANNEXES

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In the event of any discrepancy between this consolidated text and that approved by LaLiga's Executive Committee, the latter will prevail provided that its content has been disseminated by means of a circular

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STANDARD REPORTING FORMATS

## PREAMBLE

### I

Law 10/1990 of 15th October on Sport - Article 41.4. b) - grants the professional leagues exclusive responsibility for performing the roles of the economic oversight, control and protection of their associate members.

LaLiga exercises these oversight, control and protection functions through its administrative and governing bodies, in general, and through the Economic Control Committee, in particular, in accordance with the provisions of the aforementioned Law on Sport, in its Articles of Association, Article 3.1.b. and in Book X of its General Regulations.

### II

Additionally, in accordance with the provisions of Article 3.1 g), in connection with Articles 30, 33, 60, 61 and 62 of the Articles of Association, LaLiga is responsible, under the provisions of the Law on Sport and its implementing provisions, for the normative regulations for the preparation of budgets by the Public Limited Sports Companies (SADs) and Clubs participating in the competitions it organises, for the purpose of verifying  
- *a priori* - their compliance with the requirements arising from the economic control system, without prejudice to their verification *a posteriori*.

### III

The preparation and submission of the budgets - in accordance with the criteria set out herein - has the key objective of verifying the compliance of the Clubs/SADs' balanced budgets and the possible application by LaLiga of adjustments to the budgets submitted and, ultimately, if necessary, to establish a specific ceiling on the squad cost for the season in question, lower than that proposed by the Club/SAD in the budget submitted to LaLiga.

These Standards are, therefore, integrated into LaLiga's regulatory economic control system for its members, which also includes its Articles of Association, the aforementioned Book X of its General Regulations and the specific objectives set out in Article 1.3. of such Regulations.

### IV

Since their entry into force, the Executive Committee has agreed various partial amendments to the *Budgeting Rules for Clubs and Public Limited Sports Companies*, which are inserted below, and are made up of the Full Text, its Annexes and Standardised Reporting Forms.

## TITLE I GENERAL PROVISIONS

### ARTICLE 1. NATURE AND BINDING EFFECT OF THE STANDARDS.

1. These Standards are an integral part of the legal system covering the operation of LaLiga and a measure implementing its Articles of Association, in accordance with the provisions of Article 3.1.i).
2. The Standards are issued under the framework of the functions and powers which Article 3.1.b) of the Articles of Association grants LaLiga regarding the oversight, control and protection of its affiliated members set out in the Law on Sport.
3. The Standards are mandatory for all Clubs and Public Limited Sports Companies affiliated with LaLiga.

4. LaLiga's Budget Validation Body (hereinafter, the Validation Body) and, where appropriate, the Economic Oversight Committee, will assess and apply the consequences corresponding to the situations, acts and businesses in which law fraud occurs.

#### ARTICLE 2. SUBJECTIVE SCOPE OF APPLICATION OF THE STANDARDS.

The Standards are applicable to all Clubs/SADs affiliated with LaLiga, regardless of the Sports Category of the Competition organised by LaLiga in which their teams participate, in the respective current designations of "First Division" and "Second Division A".

#### ARTICLE 3. CLUBS/SADs PROMOTED FROM THE NON-PROFESSIONAL CATEGORY TO SECOND DIVISION A.

The Standards apply equally to Clubs/SADs promoted from the Non-professional category to Second Division A, under the specific terms and conditions set out in the Standards.

#### ARTICLE 4. PURPOSE AND OBJECTIVE OF THE STANDARDS.

1. These Standards share the purposes set out in Book X of the General Regulations of LaLiga.
2. These Standards have the following objectives:
  - a) To establish the rules, criteria and procedure for the preparation of specific Club/SAD budgets for the verification *a priori* that the Break-even Point has been met in their annual budgets prepared in accordance with such rules and criteria (LaLiga Budgets).

- b) To determine the rules under which the Break-even Point is met in LaLiga Budgets.
- c) The review, verification, adjustment and validation of LaLiga Budgets by the competent body of LaLiga.
- d) The allocation of a specific Limit on the Squad Cost, in order to ensure that the mentioned Budgetary Break-even Point is met.
- e) Additional specification of the verification and reporting obligations.
- f) The specification of the composition and roles of the Validation Body.

#### ARTICLE 5. CONFIDENTIALITY.

The information, data and documents that Clubs/SADs provide LaLiga in compliance with these Standards shall be confidential, without prejudice to the obligations arising from the reporting requirements of judicial and administrative bodies.

#### ARTICLE 6. DEFINITIONS OF TERMS AND EXPRESSIONS.

The terms and expressions used in these Standards shall have the meaning and content as stated in the *Definitions of Terms and Expressions Annex*, which is an integral part of these Standards.

#### ARTICLE 7. ANNEXES.

The Annexes and Standard Reporting Forms are an integral part of the Standards and have the same regulatory value.



## TITLE II

### THE PREPARATION AND SUBMISSION OF LALIGA BUDGETS AND OTHER INFORMATION TO BE PREPARED AND SUBMITTED BY CLUBS AND SADs

#### CHAPTER ONE

#### THE BUDGETS AND OTHER INFORMATION TO BE PREPARED AND SUBMITTED BY CLUBS AND SADs

##### *Section One*

##### *The Obligation as regards the Preparation and Submission of LaLiga Budgets, Additional Information and Explanatory Notes*

#### ARTICLE 8. THE OBLIGATION OF CLUBS/SADs: LALIGA BUDGETS, ADDITIONAL INFORMATION, EXPLANATORY NOTES AND STATEMENT OF COMPLIANCE

1. The Clubs and Public Limited Sports Companies affiliated with LaLiga are required to prepare and submit the following documents to LaLiga - within the time limits specified in Articles 27,28, 29 and 30 - and in each Season T:
  - a) the different LaLiga Budgets presented below, with the specific structures, content, formats and requirements set out for each of them.
  - b) the Additional Information and Explanatory Notes.
  - c) the Statement of Compliance.
2. The LaLiga Budgets which the Clubs/SADs are required to prepare and submit are as follows:
  - a) The LaLiga Revenues and Expenditure Budget (which will also include explanatory notes justifying the amount of each Item).
  - b) The LaLiga Investments and Divestments Budget.
  - c) The LaLiga Financing Budget
  - d) The LaLiga Treasury Budget.
3. The Additional Information and Explanatory Notes will include the content and have the scope provided in Section Three of Chapter One.

ARTICLE 9. GROUP OF COMPANIES. CONSOLIDATION OF THE LALIGA BUDGETS, ADDITIONAL INFORMATION, EXPLANATORY NOTES AND STATEMENT OF COMPLIANCE.

1. The LaLiga Budgets, Additional Information, Explanatory Notes and Statement of Compliance will be prepared including the entire Consolidated Group of which the Club/SAD is the parent company.
2. The scope of the consolidation will be that resulting from the application of commercial legislation.
3. An amount will not be admitted as entered in the budget which involves a contribution to the Group by the subsidiaries from an operating profit higher than the Estimated Amount for Season T-1 or, where appropriate, that resulting from the Financial Statements or Annual Accounts audited in such Season T-1.
4. The LaLiga Budgets will in any case include the Sports Sections of other sports or modalities of football other than eleven-a-side football (11).
5. Should a SAD be a subsidiary of a Group or have agreements from which it can be deduced that it is part of a Group, or another entity have influence in its Administration and Governance, the Validation Body may request, giving their reasons, any information from said Group or entity with significant influence that it deems necessary in determining the Squad Cost Limit. If not obtained, it will be able to use indirect calculation methods in such a manner so as to infer the information that had not been provided.

ARTICLE 10. FREQUENCY OF LALIGA BUDGETS.

The LaLiga Budgets which the Clubs/SADs are required to prepare and submit will be annual, comprising a full football season (12 months), i.e. from the first (1st) July to the thirtieth (30th) June of the following year.

ARTICLE 11. NATURE OF LALIGA BUDGETS.

The LaLiga Budgets should be prepared in accordance with the specific respective structures and rules set out for them in these Standards, in order for LaLiga to be able to exercise its economic control functions. The budgets are independent of any which, where appropriate, the Clubs/SADs are required to prepare in accordance with the Law on Sport or other legal regulations or in order to meet statutory or contractual requirements.

In any event, LaLiga Budgets and the complementary information must be prepared and updated by the Clubs/SADs and will be validated by the Validation Body so that they reflect the actual inflow of net resources to the Club/SAD and, where appropriate, to the Consolidated Group, applying the necessary adjustments, both to the accounting information and to the LaLiga Budgets themselves.

ARTICLE 12. STRUCTURE AND FORMAT OF LALIGA BUDGETS.

1. The different LaLiga Budgets to be prepared and submitted by the Clubs/SADs will have the structure, content, format and breakdown of the corresponding Budget Items adjusted to the provisions contained in the following Annexes to these Standards:
  - a) Annex I: The LaLiga Revenues and Expenditure Budget.
  - b) Annex II: The LaLiga Investments and Divestments Budget.



c) Annex III: The LaLiga Financing Budget.

- d) Annex IV: The LaLiga Treasury Budget.
- 2. Annexes I to IV referred to above are also the Standard Reporting Forms for submitting the respective LaLiga Budgets.
- 3. The Clubs/SADs that submit Acceptable Economic and Financial Ratios under the terms and conditions set out in Section Five of this Chapter will only be required to prepare and submit the LaLiga Revenues and Expenditure Budget and not the other LaLiga Budgets, as well as the Explanatory Notes and Statement of Compliance.

ARTICLE 13. FOUNDATIONS FOR THE PREPARATION OF LALIGA BUDGETS DEPENDING ON THE CATEGORY IN THE LALIGA COMPETITION AND PARTICIPATION IN EUROPEAN COMPETITION.

1. The Clubs/SADs will prepare the LaLiga Budgets with the assumption that they will participate in Season T in the same LaLiga Competition Category in which they are participating in Season T-1.
2. The Clubs/SADs which, on the date of submitting the LaLiga Budgets, are mathematically qualified for participation in any of the different European Competitions on sporting merit, should submit the version of the LaLiga Budgets with the assumption of competing for the specific European Competition they have classified for.
3. The Clubs/SADs which, at the end of the LaLiga Competition, do not definitely know which European Competition they could participate in during Season T, will prepare their LaLiga Budgets based on participation in the specific European Competition decided by the Club/SAD itself, provided that:
  - a) The Club/SAD describes the adjustment measures to be taken and their justification and reasonableness in the event that in the end they participate in a European Competition that will mean a lower positive contribution to their operating profit/loss for Season T in connection with what was stated in the LaLiga Revenues and Expenditure Budget,
  - b) They record their express commitment to applying the aforementioned measures, and
  - c) The proposed measures are accepted in all cases as justified and reasonable by the Validation Body.
4. Clubs/SADs that are in the situation to which this article refers will submit the measures and the commitment to applying such set out in paragraph 3 above on Standard Reporting Form MN 1.
5. The foregoing provisions are understood without prejudice to the submission of Updated LaLiga Budgets in cases where a change of Category in the LaLiga Competition occurs in Season T with respect to Season T-1, in accordance with the provisions of Section Six of this Chapter.

*Section Two*

*Additional rules on the structure and content of the different LaLiga Budgets*

ARTICLE 14. LALIGA REVENUES AND EXPENDITURE BUDGET (ANNEX I).

1. The different Budget Items and Sub-Items making up the LaLiga Revenues and Expenditure Budget are described in the *DESCRIPTION OF BUDGET ITEMS AND VALUATION CRITERIA AND RULES ANNEX*.
2. This Annex also includes the Valuation Criteria and Rules for the given Budget Items and Sub-Items, with the - minimum or maximum - quantitative limits established for some of them in each case.

ARTICLE 15. LALIGA INVESTMENTS AND DIVESTMENTS BUDGET (ANNEX II).

1. The LaLiga Investments and Divestments Budget will distinguish the Investments which, due to their respective amounts, are deemed made in the acquisition of:
  - a) LaLiga registrable Player Federative Rights.
  - b) LaLiga non-registrable Player Federative Rights.
  - c) Other fixed assets:
    - (i) Intangible assets.
    - (ii) Sports equipment (Stadium, Sports City etc.).
    - (iii) Other tangible fixed assets.
    - (iv) Financial Investments in the Group.

- (v) Financial Investments outside the Group.
  - (vi) Other financial fixed assets.
- 2. The amount of the budgeted Investment Item for the acquisition of LaLiga registrable Player Federative Rights may not be less than the lower of the following two values:
  - a) The amount of the Investments made or to be made Estimated by the Club/SAD in season T-1 for this concept, and
  - b) EIGHTY PER CENT (80%) of the average amount of the Investments made or to be made by the Club/SAD in seasons T-3, T-2 and T-1, albeit with a minimum of 80% of the value from section "a" above

However, once the Investment Budget has been submitted, the effects on the rest of the LaLiga Budgets derived from the operations effectively materialised will be updated.
- 3. An exception to the provisions of paragraph 2 above, Clubs/SADs that are promoted in Season T should reflect, in the Investments Item in Federative Player Rights registrable for such Season T, at least an amount equal to three times the Investments made or Estimated to be made for the same concept in Season T-1.
- 4. Clubs/SADs which, during Season T, project investments of an amount exceeding the amount of the Budgeted Investments in the validated LaLiga Investments and Divestments Budget by more than THIRTY PER CENT (30%), should request authorisation prior to completion from the LaLiga Validation Body, with an accompanying Updated LaLiga Treasury Budget in accordance with the projected investment, without which they may not carry out the same.

#### ARTICLE 16. THE LALIGA FINANCING BUDGET (ANNEX III).

- 1. The LaLiga Financing Budget should detail, both for obtaining financing as well as the repayment thereof, the corresponding sources through the following categories, specifying the respective amounts:
  - a) Credit Institutions.
  - b) Parties linked to the Club/SAD or belonging to the same Group of Companies.
  - c) Other sources of financing other than the above.
- 2. Likewise, the LaLiga Financing Budget should detail the precise nature or form of the various financing operations from Credit Institutions: loans, credit policies, credit lines, financial or commercial discounts, *factoring*, etc.
- 3. The Validation Body will only accept and validate financing and refinancing budgeted by the Club/SAD in accordance with criteria of prudence, such as the history and evolution of the Club/SAD in obtaining refinancing and financing in the Three Seasons prior to Season T, the amount of it and the guarantees that would have been granted, as well as the evolution of their solvency ratios.

#### ARTICLE 17. LALIGA TREASURY BUDGET (ANNEX V).

- 1. The Treasury Budget is submitted on a monthly basis, starting on 1 January of T-1 and ending on 30 June of T. The Validation Body will determine the criteria to be applied and

the information to be submitted to prepare the Treasury Budget – in addition to that referred to in this article – both in relation to the second half of T-1 and all of season T.

2. The Treasury Budget will separately include collections and payments arising from:
  - a) The revenues and expenditure included on the LaLiga Revenues and Expenditure Budget.
  - b) The transactions included on the LaLiga Investments and Divestments Budget, as well as taxes levied as a taxable entity on the Club/SAD, accrued as a result of the realisation and execution of investment or divestment transactions (income tax, VAT, etc.).
  - c) The LaLiga Financing Budget.
  - d) Compliance with the obligations recognised or to be recognised on the balance sheet closed at the end of Season T-1, except for the items included on the LaLiga Financing Budget and operations included in the Investment/Disinvestment budget referred to in points b) and c) above .
3. Payments for Investments in Financial-Economic Rights/Federative Player Rights will, in any case, be calculated at an amount of at least THIRTY PER CENT (30%) of the total amount earmarked for Investments in such Rights.
4. The charges for Divestments in Economic-Financial Rights/Federative Rights of Players will be computed in the LaLiga Treasury Budget at a maximum amount of THIRTY PER CENT (30%) of the amount budgeted in the LaLiga Investments and Divestments Budget.
5. The limit set forth in section 4 above may be increased when it is accredited by the Club/SAD before LaLiga's Validation Body that in both Season T-1 and T-2 they effectively received an amount greater than the aforementioned 30% of the Divestments that, where appropriate, were made in said Seasons from the transfer of Economic-Financial Rights/Federative Rights of Players and prior to the conclusion of the corresponding Season in which the divestment took place. In this case, the LaLiga Treasury Budget may consider charges above the expressed 30% to the percentage that the Club/SAD has sufficiently accredited before the Validation Body for effective charges in Seasons T-1 and T-2 for divestments made in them.
6. In any case, the Clubs/SADs whose Divestments for Economic-Financial Rights/Federative Rights in Seasons T-1 and T-2 have not been an average of TEN PER CENT (10%) higher than their Net Turnover budgeted for T will not be able to consider charges derived from Divestments in the LaLiga Treasury Budget for the concept expressed above the indicated THIRTY PER CENT (30%).

### *Section Three*

#### *Additional Information and Explanatory Notes. Statement of Compliance*

#### ARTICLE 18. ADDITIONAL INFORMATION TO ACCOMPANY THE LALIGA BUDGETS.

1. In addition to the LaLiga Budgets, the Clubs/SADs will jointly prepare and submit the following Additional Information:
  - a) An estimate of the Profit and Loss Account for Season T-1 prepared with the same

- structure, content, consolidation scope, and any preparation rules that are applicable according to these Regulations and the Spanish General Accounting Plan as an exclusively supplementary regulation for the LaLiga Revenues and Expenditure Budget for Season T, adding the information corresponding to Seasons T-3 and T-2. (to be included within the Reporting Form in Annex I.1).
- b) The estimated balance sheet as of 30th June T-1, with comparative figures on the Balance Sheets as of 30th June Seasons T-2 and T-3 (to be included within the Reporting Form in Annex I.2).
  - c) Information on taxes and charges imposed on:
    - (i) The Federative Rights or Economic Rights arising from the Federative Rights of any Player of the Club/SAD
    - (ii) The Credit Rights arising from the exploitation of audiovisual rights
    - (iii) Any other goods or rights (property, season tickets, ticket office etc.)

The information to which point c) refers will be provided with the content and breakdown stated in Standard Reporting Form MN 2.
  - d) Information on credit payment obligations recognised in the Creditors' Agreement that are due from the Club/SAD in accordance with the terms and conditions of said Creditors' Agreement based on the Club/SAD obtaining certain revenues or profits, with the content and breakdown stated in Standard Reporting Form MN 3.
  - e) The profits and/or losses on the Federative Rights Transfer operations included on the Annual Accounts for Seasons T-3, T-2 and T-1 with the breakdown and information included in Standard Reporting Form MN 4.
2. In the information concerning the profits and/or losses on the Federative Rights Transfer operations included on the Annual Accounts for seasons T-3, T-2 and T-1 to which paragraph 1.e) above refers:
- a) the following should be broken down for each of the specified Seasons:
    - (i) the transfer price for the Federative Rights.
    - (ii) the costs associated with the transfer (including implicit interest), and
    - (iii) the Net Book Value of the transferred Federative Rights,

and
  - b) it will need to be submitted in such a way that, when subtracting the amount of the costs associated with the transfer and the Net Book Value from the agreed Transfer price for the Federative Rights, the amount of the profits or losses stated on the aforementioned profit and loss accounts for the Transfer of Federative Player Rights is reached.

#### ARTICLE. 19. EXPLANATORY NOTES.

1. The LaLiga Budgets submitted to LaLiga should be accompanied by Explanatory Notes in which the foundations and fundamental assumptions supporting such LaLiga Budgets will be included and any risks that could affect the Club/SAD's future results will be recorded and described.

Once these bases and assumptions have been established, they may only be amended with the prior authorisation of the Validation Body, in a reasoned manner and exclusively



in light of new information that significantly affects the LaLiga Budgets submitted, in the opinion of the Validation Body. Notwithstanding the above, in no case will a hypothesis amendment be authorised whose purpose is to achieve a significant increase in the registration ability of Players and/or Coaches when the hypothesis that is intended to be changed has allowed the club to have a greater contracting capacity than would have been the case under the new proposed hypothesis.

2. By way of example (but not limited to):
  - a) Category of the LaLiga Competition in which they expect to participate.
  - b) European Competition in which they expect to participate.
  - c) Situations involving a risk of default on credits to the Club/SAD.
  - d) Judicial or extrajudicial claims filed against the Club/SAD.
3. The budgeted amount under each heading of revenues, expenses, profits and losses shall contain an explanation for the determination, in accordance with the provisions of these Standards.
4. The Explanatory Notes will be submitted in Standard Reporting Form MN 5.

#### ARTICLE 20. STATEMENT OF COMPLIANCE.

1. Together with the Explanatory Notes, a Statement of Compliance signed by the authorised representative of the Club/SAD will be submitted, in which the following will be declared:
  - a) That the LaLiga Budgets submitted have been prepared in accordance with the rules and principles set out in these Standards.
  - b) That, according to the best of their knowledge, the operations, legal transactions and acts comprising the LaLiga Budgets comply with current legal regulations.
  - c) That the information provided is complete and that the Club/SAD is not aware of any kinds of circumstances (economic, legal or sporting) that would entail a significant modification of the foundations and assumptions used in the preparation of the LaLiga Budgets.
2. That the LaLiga Budgets submitted have been approved by the Executive Chairman, CEO, Managing Director or a person holding a similar position at the Club/SAD (being nominally identified).
3. The Statement of Compliance will be prepared in Standard Reporting Form MN 6.

#### *Section Four*

#### *Regular information for the verification of LaLiga Budgets*

#### ARTICLE 21. VERIFICATION PROCEDURES.

1. For the purposes of checking the veracity of the information submitted in compliance with the provisions of these Standards, the Clubs/SADs shall provide the Validation Body with the regular information referred to in the following paragraphs.
2. Together with the audited Annual Accounts for each Season, the Clubs/SADs will submit the following information concerning said Season:

- a) Differences between the Season's Squad Cost for all the concepts reported to LaLiga and accepted by the Validation Body and the Squad Cost that was actually occurred in said Season,
    - (i) Distinguishing between the differences that correspond to Registrable Players and those that correspond to Non-registrable Players.
    - (ii) Identifying possible differences in proportionality between the respective Squad Costs on the amount allocated by the Validation Body, and
    - (iii) pointing out the amount of the Collective Bonuses accepted by the Validation Body for the season and the base on which said incentives were calculated.
  - b) Differences between the profits on Federative Player Rights Transfers, extraordinary profits, increases in contracts for audiovisual rights, Contributions made, increases in commercial contracts and other revenue increases submitted by the Club/SAD in accordance with these Standards that have been used for the Increase in the Season's Limit on the Registrable Squad Cost, according to Title III and the figures for the cited concepts that have actually occurred.
  - c) Documentary evidence that the revenue included on the Clubs/SADs' LaLiga Budgets for Season T, as a result of contracts they stated they had signed, had actually been obtained, including broadcasting, advertising and marketing contracts as well as those related to capital and operating subsidies.
  - d) Audited Profit and Loss Accounts for Seasons T-1 and T, in accordance with the breakdown submitted in Annex I.
3. The information referred to in section 2 above (with the exception of that provided in sections c) and d)) will be submitted in accordance with Standard Reporting Form MN 7, and must be verified by the auditor of the Club/SAD in an Agreed Procedures Report, together with MN 23 included in Art. 94, which, at least, indicates the differences -more or less- that have occurred between the amount budgeted by the Club/SAD and accepted by the Validation Body for Premiums and the amount actually produced for this concept in the Season and the amount of these differences.

The detail of the different Collective Bonuses due in the Season for the respective concept they are due for, and a comparison to the incentives budgeted and accepted by the Validation Body. For this purpose, the Validation Body shall provide the Auditor with the corresponding information about the amount of Collective Bonuses accepted by the same so that said comparison can be carried out.
4. In addition and together with the audited Annual Accounts for each Season, the Clubs/SADs will submit the information on the differences arising between the current Season's Limit on the Squad Cost - distinguishing what corresponds to the Registrable and Non-registrable - accepted by the Validation Body and updated, where necessary, as of the close of the summer period for the registration of Players and the Registrable and Non-registrable Squad Costs expected in said Season.
5. The information referred to in section 4 above shall be presented as per the Standard MN 8 Form, and should be verified by the auditor of the Club/SAD in an Agreed Procedures Report, together with the MN 23 mentioned in Article 94.
6. Clubs/SADs which present Acceptable Economic and Financial Ratios in accordance with what is set forth in Section Five Chapter One in Title II shall be exempt from having to fulfil the obligations relating to periodical verification information specifically referred to in paragraphs 2. a) iii) and 3. b) under this Article.

*Section Five*  
*Acceptable Financial and Economic Ratios*

ARTICLE 22. PREREQUISITES FOR THE APPLICATION OF THE ACCEPTABLE FINANCIAL AND ECONOMIC RATIOS.

1. For a Club/SAD to be able to benefit from the Acceptable Financial and Economic Ratios, each and every one of the following conditions must be met as a prerequisite:
  - a) Not being subjected to monitoring measures under LaLiga's Economic Control regulations
  - b) Not being declared as Under Administration or having requested such declaration, or having approved an Administrative Receivership at bankruptcy proceedings, not having fully paid all the bankruptcy debts.
  - c) These conditions must be met when submitting the LaLiga Budgets.
2. For the purposes of the provisions of these Regulations:
  - a) Bankruptcy Debt is considered to new debt resulting from financing provided to the Club/SAD to cancel Bankruptcy Debt.
  - b) The Club/SADs' Bankruptcy will not be considered concluded until the new debt resulting from the financing received to cancel the Bankruptcy Debt is cancelled.

The provisions of this section 2 will not apply when the financing provided to the Club/SAD comes from shareholders or associates and is deemed an equity loan that:

- (i) Comply with the requirements of Article 20 of Royal Decree-Law 7/1996, of 7 June, on urgent measures of a fiscal nature and promotion and liberalisation of economic activity, and particularly its definition of subordinated debt.
- (ii) In any case, it has been agreed in the corresponding contract that the amount of the loan to be returned by the Club/SAD in each season may not exceed the Resources Generated (as defined in the Definitions Annex) in the previous Season.

ARTICLE 23 OBLIGATIONS OF CLUBS/SADs SUBMITTING ACCEPTABLE FINANCIAL AND ECONOMIC RATIOS.

1. Clubs/SADs which, having met the prerequisites set out in the previous article, also meet the Acceptable Financial and Economic Ratios defined in the following article, will only be required to prepare and submit the LaLiga Revenues and Expenditure Budgets to which Article 14 refers, and will not be required to submit the other LaLiga Budgets or the Additional Information.
2. In any case, these Clubs/SADs must submit:
  - a) The Explanatory Notes and the Statement of Compliance, and
  - b) Within the period that will end on the thirty-first (31st) of July of Season T, an estimate of the Profit and Loss Account for Season T-1 with the same level of detail as is set out in Annex I for the LaLiga Revenues and Expenditure Budget for Season T, adding, with the aforementioned level of development, the information for Seasons T-3 and T-2.
  - c) Additionally, Clubs/SADs that meet the requirements of the preceding article and the Acceptable Financial and Economic Ratios will not be bound or limited by the rules

contained in paragraphs 2, 3 and 4 of Article 15 of these Standards concerning Investments in Federative Player Rights and excess over Budgeted Investments.

- d) Exemptions from presenting certain Liga budgets and the information, obligations and limitations contemplated in the sections above shall not be applied if it can be reasonably deduced from the Liga Revenue and Expenses Budget presented by the Club/SAD which meets with the Acceptable Financial and Economic Ratios that at the end of Season T they will not be fulfilled.

#### ARTICLE 24. ACCEPTABLE FINANCIAL AND ECONOMIC RATIOS.

1. A Club/SAD is considered to meet Acceptable Financial and Economic Ratios when it in turn meets the following two Ratios:

a) Ratio A

A. Clubs/SADs that plan to play in the First Division in Season T

Its Equity at the end of Season T-2 is greater than 40% of the figure resulting from subtracting from the Total Demandable Liability at the thirtieth (30th) of June of Season T-2 that is due within FIVE (5) years the amounts corresponding to the following concepts:

- The deferred tax liability derived from the adjustments to Equity referred to in section 2 below.
- Credits against other Clubs/SADs and sports companies deriving from definitive or temporary transfer operations for the federative rights of Players and Technical Staff.
- Treasury at the thirtieth (30th) of June of T-2.
- Equivalent Liquid Assets at the thirtieth (30th) of June of T-2. - Short-term financial investments at the thirtieth (30th) of June of T-2.

And in any case, the Equity should not be equal to or greater than 40,000,000 euros.

B. Clubs/SADs that plan to play in the Second Division in Season T.

The percentage shown in paragraph A above is fixed at SIXTY (60) PER CENT and the Equity should be equal to or greater than €8,000,000.

b) Ratio B

The Club/SAD's Adjusted Liabilities as of 31st December, Season T-1, as defined in these Standards, are less than its Net Turnover in Season T, corrected with the following coefficients according to the Sports Category:

First Division	Second Division A
0.80	0.40

It will be required for the Adjusted Liabilities to be justified by at least a limited auditor's report on the Interim Financial Statements.

2. For the purposes of calculating the Ratios specified, the figure for computable Equity will be adjusted in accordance with the following rules:
  - a) Reduced by the amount of the quantified exceptions in the Audit Report regarding this concept.
  - b) The effect on the same arising from having posted, at any time, the Right of Use (as defined in the Definitions Annex) of sports facilities in favour of the Club/SAD will not be taken into account.
  - c) It will in any case be reduced by the amount provided by the Club/SAD by way of loans or through other similar legal transactions in favour of any partner or shareholder thereof.
  - d) It will be reduced by the amount of any losses that are expected, in accordance with the criteria and assumptions accepted by the Validation Body in Seasons T-1 and/or Season T, also as appropriate.
  - e) Neither the negative effect of the loss or lower profit, nor its subsequent reversal, will be computed for an amount equivalent to the Registrable Squad Cost employed by the club under the provisions of Article 100 bis. As a clarification, the Cost whose effect will be neutralised is exclusively that referred to in section ii) of said article.

3. Special regulations for the calculation of the Total Liabilities and Adjusted Liabilities if the Club/SAD has invested in fixed assets for the construction, reform, renovation or improvement of its sports facilities (Stadium or Sports Complex).

3.1. Definition of case

- a) The Club/SAD has invested in tangible or intangible fixed assets in order to build, improve or renovate its sports facilities, including the stadium or sports complex or training facilities, provided that the Club/SAD is the owner thereof or the long-term user thereof by virtue of any valid agreement. (the Investments)
- b) For the purposes of calculating the adjustment for investments, the proportion of own or external resources for financing those Investments is irrelevant.
- c) In any case and for the purposes regulated in this section 3, any amounts received from public subsidies to finance the Investment, or if the cost thereof can be recovered from the owner of the stadium or sports facility, shall be deducted from the sum of the investment.
- d) Investments shall be understood as operating when the fixed tangible assets the investment is used for can be fully used for their inherent purpose in the sports facilities and the amount thereof has been duly registered in the Club/SAD's accounts books.
- e) In any case, any Investment that has been idle for any reason for a period of more than twelve (12) months immediately before 31 December in T-1 shall be excluded from cases contemplated in this paragraph 3.1.

Investments shall be understood to be idle when no work has been done thereupon and no reasonable efforts have been made to bring them into operation, even if maintenance work or minor investment has been carried out in relation to the total investment initially planned and necessary for them to come into operation.

It shall be understood in any case that Investments are idle when in the said period of twelve months the amount invested is less than twenty (20) percent of the total Investment budget.

### 3.2. Calculation of the amount of the Investment for the purpose of this Article 24.

- a) For the purpose of this Article 24, the amount of the Investment shall be understood as the sum total of the investment used for the assets described in paragraph 3.1 above and which the Club/SAD has justified at the Validation Body as effectively made with the specific purpose given by the Club/SAD and which has been registered as fixed assets in the Club/SAD's accounting books and balance sheet, having deducted the amount of the total price obtained and effectively received from the sale by the Club/SAD of the fixed assets which have been or will be replaced ("Replaced Assets") by the Investments, or the market value thereof, when said assets are not sold within the period defined below.

If the Replaced Assets are not sold and their price effectively received within the period ending twenty-four (24) months after the date when the assets that have been invested in come into operation, in any case the Investment amount shall be reduced by the market value of the Replaced Assets in the Season that comes to an end in said period of twenty-four (24) months.

The market value of the Replaced Assets shall be determined by the Validation Body. The Club/SAD shall be entitled to provide any information and means of proof it deems necessary for said determination.

This reduction shall be applied to the first calculation of the Acceptable Economic and Financial Ratios that should be produced after the sale of the Replaced Assets or at the end of the twenty-four (24) month period in the Season in which the Replaced Assets are sold, provided that the Investments have come into operation.

- b) For the adjustments regulated under this article, the amount of Investment shall be the amount registered and entered into the books in the Intermediate Financial Statements in Season T-1, i.e. as of 31 December in T-1, with the corresponding reductions.
- c) If the Investment has not come into operation on the first day of a Season, the calculable amount of the Investments shall be reduced in proportion to the time of operation thereof in relation to the total duration of the Season.

- d) If on said date of 31 December in T-1 the Investments have not yet come into operation, the amount of the Investment shall be equivalent to the amounts effectively invested so far and accumulated within the period consisting of the thirty-six (36) months before said date 31 December in T-1 and provided that the Investments have not been idle as defined in paragraph 3.1.d).

However, the period referred to in the preceding paragraph may be extended for another additional 12 months, upon reasoned and justified request by the Club to LaLiga's Validation Body, which must assess and, where appropriate, accept or reject the request in accordance with the principles and criteria established in this section 3.

### 3.3. Regulations for Adjusting the Total Liabilities of Season T-2.

- a) When the Investments have come into operation on or before 31 December in T-1

The amount of Total Liabilities (calculated in accordance with what is set forth in paragraph 1.a) in this article and which is taken into account for the calculation of the Ratios), shall be reduced by an amount equivalent to the result of applying to the amount of the Investments (as defined in paragraph 3.2) made up to 30 June of T-2 and reduced by the amount of debt maturing after 5 years, the coefficients specified in the following table and which vary depending on whether the Investments have come into operation for the first time in Season T-1 or up to a maximum of ten seasons afterwards

Season when the Investments come into operation and following	Corrective coefficient to apply to Investments
T-1 is the first	1
T-1 is the second	0.9
T-1 is the third	0.8
T-1 is the fourth	0.7
T-1 is the fifth	0.6



T-1 is the sixth	0.5
T-1 is the seventh	0.4
T-1 is the eighth	0.3
T-1 is the ninth	0.2
T-1 is the tenth	0.1

- b) If the Investments have not come into operation by 31 December in T-1 and are in progress on this date.

If the Investments have not come into operation by 31 December in T-1, the adjustments set forth in letter a) above concerning Investments calculated in accordance with what is set forth in paragraph 3.2.d) shall be applied, and accumulated in the thirty previous months with the time limits already noted.

**3.4. Rule for adjusting Adjusted Liabilities in T-1 to be taken into account for calculating Ratio B**

Adjusted Liabilities in T-1 which are used in the calculation of Ratio B shall be reduced by an amount equivalent to the result of applying the following corrective coefficients to the amount of the Investments made up to 31 December of T-1 (calculated in accordance with 3.2.a) and reduced by the amount of the debt maturing after 5 years:

Season T-1	Corrective coefficient
The first season when the Investments come into operation or in the period of the construction thereof.	0.6
The second season when the Investments come into operation	0.4
The third season when the Investments come into operation and the following seasons up to the ninth	0.2
The tenth season from when the Investments come into operation	0.1

From the eleventh season onwards from when the investments come into operation, the Adjusted Liabilities shall not be reduced any further

### 3.5. Obligations concerning Information

Without prejudice to other obligations for information set forth in these Regulations, any Club/SAD which requests the application of adjustments for Investments regulated under this section 3 shall provide the Validation Body at the time of request with the following information:

- a) A description of the Investments
- b) The amount of the Investments made or in progress
- c) The date on which the Investments came into operation, if they have done so
- d) The estimated date for coming into operation
- e) A description of the assets which are planned to be replaced by the Investments
- f) The Club/SAD's appraisal of the Replaced Assets

## ARTICLE 25. ASSERTION AND VERIFICATION OF ACCEPTABLE FINANCIAL AND ECONOMIC RATIOS

1. Clubs/SADs claiming compliance with Acceptable Financial and Economic Ratios must fill in and submit Standard Reporting Form MN 9, with the information and breakdown included on it.
2. If such compliance is not apparent from the Clubs/SADs' Annual Accounts for Season T-2 and/or their Interim Financial Statements for Season T-1, the Clubs/SADs claiming compliance with Acceptable Financial and Economic Ratios must submit the corresponding auditor's report confirming such compliance within a period to conclude on 10 April, Season T-1.
3. At the time of submitting the audited Annual Accounts for Season T-1, a new check will be made on whether or not the Club/SAD complies with the Acceptable Financial and Economic Ratios, in accordance with the data of the Annual Accounts.

Should the Club/SAD not submit the Annual Accounts within the period contemplated in LaLiga's regulations, it will be considered for all purposes that the Club/SAD does not comply with the Acceptable Financial and Economic Ratios.

## Section Six

### *Updated LaLiga Budgets*

#### ARTICLE 26. LALIGA BUDGETS UPDATED DUE TO A CHANGE IN SPORT COMPETITION CATEGORY.

1. Clubs/SADs that had prepared their LaLiga Budgets, Explanatory Notes, Additional Information and Statement of Compliance under the assumption of their participation in Season T in a certain European Competition and/or LaLiga Competition Category in which in the end they will not participate shall prepare and submit Updated LaLiga Budgets and Explanatory Notes, Additional Information and Statement of Compliance to take into account the effects arising from the change in European Competition or LaLiga Competition Category compared to what was initially expected and taken as the basis for the LaLiga Budgets submitted.
2. Accordingly, they shall prepare and submit Updated LaLiga Budgets:
  - a) Clubs/SADs promoted to First Division.
  - b) Clubs/SADs relegated to Second Division A.
  - c) Clubs/SADs that had prepared and submitted their LaLiga Budgets under the assumption of their participation in a European Competition, and in the end they did not participate in it or in any others.
3. The provisions of the above paragraph will likewise apply to Clubs/SADs that qualify to compete in Season T in the "*Supercopa de España*" (the Spanish Super Cup), organised by the Royal Spanish Football Federation.
4. These Updated LaLiga Budgets shall be submitted in the same format and applying the same rules and criteria as provided for by these Standards for the LaLiga Budgets, and within the time limits specified in Article 29.
5. The provisions of Article 15.3 of the Standards concerning the LaLiga Investments and Divestments Budget will in any case be taken into account.

## CHAPTER TWO

### DEADLINES FOR SUBMITTING LALIGA BUDGETS, EXPLANATORY NOTES, ADDITIONAL INFORMATION AND STATEMENT OF COMPLIANCE.

#### ARTICLE 27. GENERAL DEADLINE FOR SUBMITTING LALIGA BUDGETS, EXPLANATORY NOTES, ADDITIONAL INFORMATION AND STATEMENT OF COMPLIANCE.


1. The LaLiga Budgets, Explanatory Notes, Additional Information and Statement of Compliance for Season T will be submitted to LaLiga within a period ending on 30 April, Season T-1.
2. In the situations referred to in the following articles of this Chapter, the special deadlines for submitting the LaLiga Budgets covered therein will be applied.
3. The submission deadlines specifically established in these Standards for other burdens of disclosure and reporting obligations will be applied.

#### ARTICLE 28. SPECIAL DEADLINE FOR PROMOTION TO SECOND DIVISION A.

Clubs/SADs promoted to Second Division A Category for Season T will have a period ending on 15th July Season T for submitting their LaLiga Budgets.

#### ARTICLE 29. DEADLINE FOR SUBMITTING UPDATED LALIGA BUDGETS.

1. Clubs/SADs in Second Division A Category promoted to the First Division Category will have a period for submitting their Updated LaLiga Budgets and other documentation which will end on 20th June Season T-1.

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2. Clubs/SADs relegated to Second Division A Category will have a period of fifteen (15) days from the day following the last day of the Season T-1 Championship in which they had been mathematically found to be relegated, and in any case always within a period ending on 20th June, Season T-1.
  3. Clubs/SADs that did not qualify for the European Competition they included on their LaLiga Budgets will submit their Updated LaLiga Budgets taking into account the new situation within a period of ten (10) days following the end of the last day of the Season in which, according to their classification, they knew that they would not participate in the European Competition that was used as an assumption.
  4. Clubs/SADs that will compete in the *Supercopa* de España in Season T may submit their Updated LaLiga Budget before the Fifteenth (15) July Season T, detailing the impact of such participation.

ARTICLE 30. DEADLINE FOR SUBMITTING LALIGA REVENUES AND EXPENDITURE BUDGETS BY CLUBS/SADs MEETING THE ACCEPTABLE FINANCIAL AND ECONOMIC RATIOS.

1. Clubs/SADs meeting the Acceptable Financial and Economic Ratios provided for under Section Five of Chapter One of this Title will have a period ending on 31st May Season T-1 for submitting their LaLiga Revenues and Expenditure Budget, as well as other additional documentation.
2. The aforementioned Clubs/SADs will also have a period ending on 31st July Season T for submitting their Updated Revenues and Expenditure Budget.

CHAPTER THREE  
VALUATION OF THE DIFFERENT BUDGET ITEMS MAKING UP THE LALIGA BUDGETS AND  
ADDITIONAL INFORMATION

*Section One*  
*Principles, Criteria and Valuation Rules*

ARTICLE 31. CRITERIA AND RULES FOR THE VALUATION OF THE DIFFERENT BUDGET ITEMS  
MAKING UP THE LALIGA BUDGETS AND ADDITIONAL INFORMATION

1. The amount, valuation and limits of the different Budget Items making up the LaLiga Revenues and Expenditure Budget will be calculated in accordance with the specific description given on each in the *DESCRIPTION OF BUDGET ITEMS AND VALUATION CRITERIA AND RULES ANNEX*, applying the rules and criteria established in the aforementioned Annex, with the quantitative limitations resulting from the given description, rules and criteria.
2. Notwithstanding the Budget Items' corresponding quantitative limitations, the figure entered by the Club/SAD will prevail, provided it is not less than the minimum limit or greater than the maximum limit.
3. Furthermore, in the event that the description of any of the Budget Items is not included in the aforementioned *DESCRIPTION OF BUDGET ITEMS AND VALUATION CRITERIA AND RULES ANNEX* or in the specific regulation of the LaLiga Budget, the same and its valuation will be adjusted to the standards of the Spanish General Accounting Plan, and the Validation Body may make the corresponding adjustments, in accordance with the principles and rules that inspire and are included in this regulation.
4. The specific Criteria and Rules for determining the valuation of the Budget Item "Squad Cost" on the LaLiga Revenues and Expenditure Budget covered in Section Two of this Chapter will in any case apply.
5. Information regarding estimates and forecasts for Season T-1 shall be consistent with that contained in the Interim Financial Statements as of 31st December T-1, including adjustments resulting from the mandatory Limited Review Report prepared by the auditor.
6. In accordance with the above, when these Standards refer to revenues and/or expenses, profit or loss, or any other concept for Season T-1, whether estimated or projected ("Estimated Amount Season T-1"), the amounts for Season T-1 will be calculated by taking the following into account:

- a) The amounts entered in the Interim Financial Statements under Limited Review
  - b) Deducting the quantified exceptions included on the Limited Review Report for the aforementioned Interim Financial Statements.
  - c) And the forecast and estimate of the amounts for the period of the last half of Season T-1, i.e. between 1 January and 30 June of said Season, which must be consistent with those that were actually incurred as of the date of submitting the LaLiga Budgets.
7. The Budget Items and Additional Financial Information will be expressed in thousands of euros.
  8. The numbering of the Budget Items entered, where appropriate, in the different Annexes to the LaLiga Budgets, is done for the purposes of identification and reference.
  9. Transactions of any kind with third parties, whether they are related parties to the Club/SAD or not, shall be appraised in accordance with their reasonable value and at market prices and in accordance with the following rules:
    - a) These rules will apply to all LaLiga affiliated Clubs/SADs.
    - b) Fair value is to be understood as the value in conditions of free competition and between experienced parties acting in good faith; the transaction conditions should not be more favourable for either party than if said conditions had been agreed under conditions of free competition.
    - c) The Validation Body may for good cause adjust the appraisal budgeted by the Club/SAD in accordance with the criteria expressed in the section above, and may, if it deems fit, require an independent expert report for said valuation in accordance with the above criteria. The cost of the appraisal will be the responsibility of the Club/SAD if the valuation made by the appraiser is more than FIFTEEN PER CENT (15%) higher or lower than that nominally stipulated in the corresponding legal business, depending on the case, respectively, of income and expenses or of divestments or investments.
    - d) Legal operations, transactions and businesses must respond to a real economic need and, therefore, make economic sense, especially in commercial, advertising, sponsorship, or similar agreements, in addition to taken their fair value and market prices into account in the valuation. Economic sense is understood if, in similar circumstances, another entity of comparable size operating in the same sector, and operating under normal market economy conditions, could have been induced to carry out the operation in question. In this sense, it must be demonstrated that the decision to carry out the transaction was adopted on the basis of economic assessment comparable to those that, in similar circumstances, a rational operator in a market economy would have carried out to determine the profitability or economic advantages of the transaction.
    - e) In sponsorship contracts, the amount of the net monetary benefit in favour of the Club/SAD will be computed for the purposes of calculating the Squad Cost Limit. In other words, from the total amount in favour of the club, the amount of the consideration to be made, if applicable, by the Club/SAD, as well as the costs directly attributable to the contract, will be deducted.
    - f) Extraordinary positive profits in T-1 and/or T resulting from the sale of the Club/SAD's assets or rights, other than Players' Federative Rights, with the subsequent

repurchase or lease, whether initially agreed or in the event that the Validation Body, in accordance with a reasoned report, concludes that the transferred asset or another substitute for it is necessary for the Club's normal operations, will not be computed for the purposes of calculating the Squad Cost Limit. For clarification, the computation of the results derived from operations on Players' Federative Rights will be governed by the provisions for budget item 9.1 of the Valuation Criteria and Rules Annex, as well as Articles 61 to 63 and concordant of these Regulations.

- g) For an operation between entities of the Consolidated Group to be able to computed for the purposes of the Squad Cost Limit, it will be a necessary – although not sufficient – condition that the club provide a written communication issued by its auditor, containing the information required by the Validation Body in exercise of the powers conferred by Article 105 of these Regulations.
- h) Operations – excepting player transfers and any other within the normal operations of a club – whose valuation exceeds 10% of Net Turnover or 10 million euros, will take effect in calculating the Squad Cost Limit within a maximum period of fifteen days of having being reported to the Validation Body, with, in any case, the requirement that as much information as is necessary be provided in the opinion of the Validation Body to obtain an understanding of their structure, as well as to their correct quantification in accordance with these Regulations. For this purpose, the Validation Body may require the technical assistance of independent experts, whose cost will be borne by the Club/SAD.
- i) As a general rule, the result derived from operations related to the assignment or transfer of the Club/SAD's assets or rights and which generate an extraordinary result in T-1 and/or T due to their nature and structure generate and entail the assignment of future income of the Club or any of its affiliated companies – regardless of the applicable accounting consolidation method – to third parties that had already been recorded in its Profit and Loss Account and would have corresponded to the Club/SAD or any of its affiliated companies had said assignment or transfer not been made, will be included in the Squad Cost Limit proportionally season by season as if the transfer had not occurred. Were the assignment for a specific period of time, the quantification of said integration will be made by dividing the net amount received in the transfer by the number of seasons it is assigned and should the assignment time not be determined or it cannot be determined, a rational integration method approved by the Validation Body will be applied.


Notwithstanding the above, the extraordinary profit in T-1 and/or T will be computed for the Squad Cost Limit in T proportionally for a maximum amount of the value of the assigned good or right for each season, equivalent to 5% of the average Net Turnover validated by the Validation Body for seasons T-2, T-1 and T.

For clarification, the maximum amount refers to the value for each season of the asset or right assigned or transferred in the operation in question. If the value is not explicitly calculated according to the terms of the operation as a whole, the Validation Body will establish the value per season in accordance with rational criteria of temporal distribution.

The calculation of this maximum amount will be carried out cumulatively by the sum of the value per season assigned or transferred in all operations carried out by the Club/SAD throughout its history, including those carried out on a date prior to the entry into force of this rule but which has effects on subsequent seasons.

- j) The repurchase of goods or rights, except for Players' Federative Rights, which led to an increase in the Squad Cost Limit, will be included for the amount of the repurchase





in the calculation of the Squad Limit in the season in which it occurs, regardless of their accounting treatment. For clarification, the computation of the results derived from operations on Players' Federative Rights will be governed by the provisions for budget item 9.1 of the Valuation Criteria and Rules Annex, as well as Articles 61 to 63 and concordant of these Regulations.

#### ARTICLE 32. PRINCIPLES OF APPLICATION.

All the financial and economic information, including forward-looking information, submitted by Clubs/SADs in their LaLiga Budgets, Explanatory Notes and Additional Information - as well as, in general, any information resulting from these Standards - must comply, without prejudice to the application of the specific rules and criteria to which the preceding article refers, with the following principles of:

- a) Veracity, prudence and reasonableness.
- b) Accrual.
- c) Going concern.
- d) Temporal uniformity, where appropriate justifying changes in criteria.
- e) Integrity, so that the information is complete and does not omit any situation that could undermine the information provided.
- f) Legality, so that all the legal transactions and acts referred to by the Club/SAD in preparing their LaLiga Budgets, Explanatory Notes and Additional Information comply with the legal rules of application of any nature, including commercial, civil, tax, accounting and sport rules etc.

#### ARTICLE 33. VALUATION ALTERNATIVES.

- 1. Clubs/SADs may, exceptionally, propose valuations of Budget Items under rules or criteria other than those covered in these Standards to the Validation Body, which may accept them by express agreement and with the limits set forth in the following sections.
- 2. Valuation alternatives must be accompanied by reasonable and sufficient justification, at the criteria of the Validation Body, for them to be accepted.
- 3. Proposals for Budget Item valuation alternatives should be formulated in accordance with Standard Reporting Form MN 10.
- 4. The maximum amount of all Valuation Alternatives will be ONE PER CENT (1%) of the Net Turnover of Season T in the First Division and TWO PER CENT (2%) in the Second Division
- 5. No Valuation Alternatives may be proposed or accepted in any of the following operations:
  - a) The provision of *scouting* and similar sporting services.
  - b) Remunerations of the Club/SADs' directors.
  - c) Any operation with Related Parties.

- d) In transactions between Clubs and/or SADs of any nationality, league or association.
- 6. Likewise, the total amount of the Valuation Alternatives for Seasons T, T-1 and T-2 as a whole is limited to ONE POINT FIVE PER CENT (1.5%) and THREE PER CENT (3%) of the total Net Turnover in those Seasons for First Division Clubs/SADs and Second Division Clubs/SADs respectively
- 7. Without prejudice to their justification and acceptance by the Validation Body, the limitations set forth in sections 4 and 6 above are excluded from Valuation Alternatives referring to the following items:
  - a) Revenues from Spanish *Supercopa* Competitions.
  - b) Revenues from playing in European Competitions.
  - c) Budgeted revenues based on historical participation in a Sports Category and the DESCRIPTION OF BUDGET ITEMS AND VALUATION CRITERIA AND RULES ANNEX allows the Valuation Alternative in the corresponding Item or Sub-item, and
  - d) Expenses for Collective Bonuses in favour of the Registrable Squad, in accordance with the provisions of the DESCRIPTION OF BUDGET ITEMS AND VALUATION CRITERIA AND RULES ANNEX.
- 8. In any case, the specific criteria and rules on Valuation Alternatives included for certain items or sub-items in the *ANNEX OF DESCRIPTION OF BUDGETARY ITEMS AND OF VALUATION RULES AND CRITERIA* must be met.

## *Section Two*

### *Squad Cost, Break-even Point, Proportionality and Limitations*

#### ARTICLE 34. SQUAD COST AND BREAKEVEN POINT.

1. The Squad Cost – configured and calculated in accordance with the criteria and rules established in the following Sections – for each Club/SAD and Season determines compliance with the Break-even Point, as defined in Chapter Four of this Title.
2. In this regard, Clubs/SADs must adjust and limit this Squad Cost to reach the Break-even Point, without prejudice to the powers of the Validation Body to assign a Limit to such Cost.

3. Notwithstanding the above, and as an exception to the general principle, Clubs/SADs which in Season T are playing in Second Division A, shall be assigned, under the specific rules and conditions established in the final point, in any case (i.e. even if thereby they do not meet the Budgetary Break-even point) a Squad Cost Limit of at least FORTY PER CENT (40%) of the Net Amount of the turnover budgeted and accepted by the Validation Body for Season T, with the adjustments and corrections indicated below. This percentage may be higher as long as the Budgetary Break-even Point is met.

The following additional specific rules shall be applied in this case:

- a) For the purposes of this section 3, in determining the Net Turnover, the Revenues that in the opinion of the Validation Body come from operations that, regardless of their form, have an exchange fund or swap, and therefore imply an associated expense are not taken into account, unless they are less than the Revenues and in this case, for the difference.
- b) The amount by which unpaid remunerations to Players and Coaches of the first squad accrued in Season T-1, even as a result of deferment agreements with creditors, will reduce, by the same amount, the Limit on the Squad Cost resulting from applying the 40% referred to above.
- c) The Clubs/SADs to which this section 3 applies will not be able to avail themselves of or apply the provisions of Article 100 of these Regulations contained in the specific regulation for Clubs/SADs exceeding the limit on Registrable Squad Costs that meet certain conditions. However, on a temporary basis for the 2020/2021, 2021/2022 and 2022/2023 seasons, these Clubs/SADs may benefit from the provisions of the aforementioned Article 100 of these Regulations.
- d) In the event that applying the general rules established in these Regulations, mathematically results in a negative Limit on the Squad Cost, the FORTY PER CENT (40%) will be reduced to THIRTY PER CENT (30%).
- e) This rule contained in this section 3 cannot apply to Clubs/SADs that submit overdue, liquid and enforceable debts where Public Administrations and/or Clubs/SADs are creditors.
- f) The Clubs/SADs to which this section 3 applies, must prepare the Real Squad Cost for their Non-registrable Squad using the Standard Reporting Form MN 23 and the following additional rules will apply:
  - (i) The total Cost included on the aforementioned Standard Reporting Form MN 23 cannot exceed that resulting from applying the valuation rules for Season T at any time. The provisions of Article 41 of these Regulations are applied in calculating of the Cost newly hired Players or those received on a temporary transfer.
  - (ii) The aforementioned Standard Reporting Form MN 23 must be submitted referring to 30 June of Season T-1 and 1 July of Season T, and a deadline that will end on 10 July of Season T.
  - (iii) For Clubs/SADs promoted to Second Division A, the deadline will be two days after the registration date of the Club/SAD in LaLiga
  - (iv) Submitting the aforementioned Standard Reporting Form MN 23 is essential in being able to register in LaLiga of Players of the corresponding Club/SAD
  - (v) The form MN 23 must be kept updated throughout the Season. As changes are

made to the Cost of the Non-Registrable Squad

ARTICLE 35. REGISTRABLE SQUAD COST AND NON-REGISTRABLE SQUAD COST. PROPORTIONALITY.

1. For the purposes of the Standards, the Squad Cost is differentiated into the Registrable Squad Cost and the Non-registrable Squad Cost in accordance with the criteria established in Article 38.
2. In their LaLiga Revenues and Expenditure Budgets, the Clubs/SADs must differentiate - as stated in Annex I - between the Registrable Squad Cost and the Non-registrable Squad Cost.
3. The Non-Registrable Squad Cost also includes the Squad Cost of the Club/SADs' Sports Sections other than eleven-a-side football, as well as the Cost of the Women's Eleven-a-Side Football Squad.
4. The proportion of the Registrable Squad Cost as part of the total Squad Cost will be individually assigned by the Validation Body to each Club/SAD for each Season.
5. The Non-registrable Squad Cost includes the same concepts as those referred to in Article 39.

ARTICLE 36. LIMITATIONS TO THE BUDGETED REGISTRABLE SQUAD COST DEPENDING ON THE PROPORTION OVER THE TOTAL SQUAD COST.

1. The proportion of the budgeted Registrable Squad Cost for Season T as part of the Total Squad Cost shall not be greater than the proportion effectively produced in Season T-2.
2. Once Season T-1 has come to an end, the proportion of the budgeted Registrable Squad Cost as part of the Total Squad Cost shall be calculated in accordance with the information to be presented by the Club/SAD as set forth in Article 94.
3. If the indicated proportion of Season T-1 is higher than that produced in Season T-2, the Club/SAD may request an amendment to the proportion budgeted for Season T. Conversely, if the Cost of the Non-registrable Squad in T-1 is higher in absolute value than the one that would result from applying the proportion of T-2 to the Total Squad Cost Limit of T, said absolute value will be considered as a minimum for Season T, without prejudice to the special rules of Article 56 that may be applicable.
4. For this purpose, the Club/SAD shall present a request in this sense, and the Authorised Representative shall certify the proportion produced in Season T-1.
5. The Validation Body shall review the request to either agree or refuse the amendment of the proportion requested. In any case and in accordance with its powers, the Validation Body may require the Club/SAD to provide all information related to the Non-Registrable Squad Cost (composition, salaries, etc.), as well as verification of the proportion by an auditor by means of an Agreed Procedure Report, before or after the approval of the request.
6. If in Season T-2 or T-1 the Club/SAD played in a different division than in Season T, the Non- Registrable Squad Cost shall be the one produced in Season T-2 or T-1, whichever of the two is greater.
7. In any case, what is set forth in Article 56 concerning proportionality shall be applied by the Validation Body.

ARTICLE 37. ADJUSTMENT TO THE NON-REGISTRABLE SQUAD COST DUE TO PROMOTION OF THE RESERVE TEAM.


1. The Validation Body, upon receipt of the corresponding information from the Club/SAD, will adjust the amount and Proportion of the Non-registrable Squad Cost on the assumption that it is expected that the eleven-a-side reserve team will participate during Season T in a Category higher than it did in Season T-1 and provided that this latter Category does not correspond to the First Division or Second Division A.
2. The purpose of the above adjustment is to take into consideration the increase to the Limit on the Squad Cost that the mentioned promotion of the reserve team may entail, in any case maintaining the Limit on the Squad Cost assigned.

*Section Three*

*Specific Criteria and Rules for determining the valuation of the Budget Item "Squad Cost"*

ARTICLE. 38. DEFINITION OF THE REGISTRABLE SQUAD AND NON-REGISTRABLE SQUAD IN LALIGA. (1)

1. For the purposes of these Standards, each Club/SAD's Registrable Squad is understood to mean that made up of:
  - a) The Players who are expected to sign up for Season T on the Club/SAD's teams' squads participating in the LaLiga First Division or Second Division A Competition.
  - b) The Coach, Assistant Coach, Fitness Trainer and Trainers with similar roles who provide services for the Club/SAD's team that is signed up on LaLiga. They will be called the "Coaching Staff" for the purposes of these Regulations.
  - c) The Players with an employment contract in force with the Club/SAD who are not registered on LaLiga, but are neither on any other squad or team of the same Club/SAD. The Cost corresponding to these Players will be called "Registrable CPD, non-registered", while the remaining Cost of the Registrable Squad will be called "Registrable CPD, registered".
  - d) The Players who, as of the date of submission of the information on the registrable squad, whether initial or an update, while not being bound by an employment contract in force with the Club/SAD on such date, have received or will receive (either they themselves or the companies holding their Image Rights) any kind of remuneration for any reason or title and/or they have entailed the entry of any kind of cost or loss on the Club/SAD's Profit and Loss Account.
2. Therefore, all other Players and Trainers who are not covered by paragraph 1 above will be considered as Non-registrable Squad.



(1) The provisions of Circular No. 43 – Season 2021/2022, of 9 June 2022, according to the agreement of the Executive Committee of 2 June 2022, to amend the Standards for the Preparation of the Budgets of Clubs and SADs, apply to Article 38, forming an integral part of said Regulations.

#### ARTICLE 39. DETERMINATION OF THE REGISTRABLE SQUAD COST.

1. For the purposes of these Standards, the Squad Cost or individual Cost of a Player or Trainer is calculated and computed considering the complete Season and, where appropriate, the part of the season in which the Player or Trainer is contracted.
2. The Registrable Squad Cost will consist of the sum of the different concepts described in paragraph 3 of this Article, calculated, where appropriate, with the criteria and rules set out in these Standards, the result of which will be reduced by the price or remuneration received by the Club/SAD for the temporary cession of the Federative Rights of its Players.
3. The concepts and items making up the Registrable Squad Cost are as follows:
  - a) The salaries, whether monetary or in kind (housing, cars, travel etc.), regular or irregular, fixed or variable depending on any kind of criteria, including those of a sport nature, of each and every Registrable Squad Player and Trainer.
  - b) The remunerations for cessions of the individual or collective image rights of Players and Trainers received by the same or by companies or persons that are the assignees and holders of said image rights.
  - c) The amount of the annual amortisation of the Acquisition Cost of the Federative Player Rights and, where appropriate, those of Trainers.
    - (i) Except for Clubs/SADs that comply with the Acceptable Financial and Economic Ratios, the reduction of the annual amortisation in Season T, derived from the accounting in T-1 of an impairment in Federative Rights, will not be computed as a lower Cost, when a greater capacity for registering Players or Coaches in Season T can be derived from said accounting record.
    - (ii) Should the contractual rescission or transfer of a Player or Coach generate an accounting loss in T, as a general rule, the amount of the allocation to the amortisation of the Player or Coach initially planned for said Season T, before the aforementioned rescission or transfer, shall continue to be considered as the Squad Cost of Season T, with the following rules being applicable:
      - a.- The amount to be considered as the Squad Cost of T for the allocation to the amortisation initially planned for T, will have a maximum of the amount of the accounting loss that should be recorded in T due to said rescission or transfer.
      - b.- If the loss is greater than the aforementioned allocation to the amortisation initially provided for T, the excess will form part of the negative sum included in the item Gains for the Transfer of Players of T.
    - (iii) For the purposes of calculating the amortisation, if there are rescission or termination clauses, agreements on compensation amounts, termination by mutual agreement or the possibility of unilateral termination by the Club/SAD and/or the Player/Coach, the Validation Body will set the duration of the useful life taking into account the reasonableness and probability of materialisation of said clauses.
  - d) Social Security or Pension Plan premiums or other forms of social welfare supported by the Club/SAD of which the Players and Trainers are the beneficiaries.
  - e) Indemnities or compensation paid by the Club/SAD for the termination of employment contracts or the Cession of Player and Trainer image rights, or as a result of such termination, for any reason, including mutual agreement and dismissal. If the



amount of the indemnity or compensation is greater than the Player's or Trainer's remuneration initially planned for Season T, only this final amount will be allowed to be computed in T, and the excess may be proportionally spread across the remaining seasons of the contract, although at most between T+1 and T+2.

Except for Clubs/SADs that comply with the Acceptable Financial and Economic Ratios, the accounting of a lower expense for compensation in Season T, derived from the accounting in T-1 of a provision for eventual compensation, will not be computed as a lower Cost, when a greater capacity for registering Players or Coaches in Season T can be derived from said accounting record.

- f) The costs borne by the Club/SAD for the remuneration, or any other concept, of a Player whose Federative Rights have been temporarily transferred to another Club/SAD.
- g) Without contents.
- h) Collective Bonuses for achieving sporting objectives, including those payable for remaining in a particular category of any Competition.

The budgeted amount of these collective bonuses for Season T, with respect to the Registrable Squad, will depend on the assumptions on which the LaLiga Budget is based and may not be less than NINETY (90) PER CENT of those of the higher amount that have been negotiated, recognised and/or accrued in any of the THREE (3) seasons prior to season T for the same concept.

The amount of the Collective Bonuses for Season T-1 will be estimated according to the certifications and information provided by the Club/SAD.

The resulting figure according to the above rules may be reduced by up to FIFTY PER CENT (50%) as a maximum, provided it is sufficiently justified by the Club/SAD and accepted by the Validation Body.

Clubs/SADs which are promoted for Season T may calculate the Collective Bonuses due as a result of said promotion for the purpose of determining the Squad Cost either in the same season as the promotion or in the following season.

In any case, Clubs/SADs included in the case expressed in the above paragraph shall notify the Validation Body of the amount of Collective Bonuses due for promotion, within the deadline established for the submission of the Updated Budget as set forth in Article 29.

- i) At least TWENTY-FIVE (25) PER CENT of the remuneration corresponding to the Club/SAD's acquisition price of the Federative Rights of a Player which is agreed in a contract through which the right to purchase such Federative Rights is granted to the Club/SAD and which will not be registered in the Club/SAD during Season T.

The Validation Body may agree to increasing or decreasing the aforementioned percentage in accordance with the analysis of the circumstances and information available on the entire transaction or related transactions.

- j) At least TWENTY-FIVE PER CENT (25%) of the acquisition price of the Federative Rights subject to a Right to Purchase, in the case in which the Club/SAD agrees or signs, as assignee, a contract for the Temporary Cession of the Federative Rights of a Player, together with a right to purchase said Federative Rights and/or Economic Rights derived from such, and from the analysis carried out by the Validation Body of the circumstances and information available on the entire transaction referred to it may be concluded that the assignee Club/SAD has already assumed the obligation to exercise the Right to Purchase on the Federative Rights in question, even if this

depends on maintaining a position in the respective division, will be integrated into the Registrable Squad cost for Season T. In any case, what is set forth in this paragraph j) shall not be applied if the Temporary Cession of the Federative Rights implies a greater Squad Cost for the Club/SAD ceding the player.

The conclusion referred to in point j) may be brought out by the Validation Body in Season T itself, or in the following seasons, with the corresponding adjustments being imposed on the Club/SAD affected.

In accordance with the provisions of points i) and j) of Section 3, it will particularly be the obligation of the Clubs/SADs to inform the Validation Body of any Purchase Option Rights on Federative Player Rights that they sign as optionees or optionors which, in accordance with the contractual terms agreed upon, entail the optionee's obligation to exercise such Right in any case and, therefore, the signing of the contract to Transfer Federative Rights with the consequent payment obligations. This reporting obligation will conform to Standard Reporting Form MN 11.

For clarification, the allocation of the Cost made in application of this subsection j) will not imply the allocation of any positive profit or gain for the assigning Club/SAD, in relation to the same operation.

- k) Any other remuneration paid to Players and Trainers for any concept that indirectly or directly pays for their professional services or the Cession of their Image and Rights.
  - l) Player acquisition expenses. This includes all the transaction expenses related to the acquisition of Federative Rights or contracting the services of a Player or Trainer for the Squad, such as the fees of agents, representatives or brokers, whether natural or legal persons, whatever the form and nomenclature of the agreement from which such expenses arise, and which are not capitalisable expenses in the accounting records.
  - m) The amount of the Increase in the Registrable Squad Cost Limit authorised by the Validation Body in Season T-1, in accordance with the provisions of Article 76 of the Standards.
  - n) The amount for claims for unpaid salary compensation by the Club/SAD which has been reported by Players to the Mixed Commission as contemplated in the Professional Football Collective Agreement, even if said remuneration was finally settled or agreed under deferred conditions.
  - o) The amount corresponding to compulsory federation licences for players, technical and other staff which should be obtained. If a Player's or Trainer's contract is signed for more than one Season, the amount for the fees shall be considered as a capitalisable cost.
- 4. In any case, for salaries, amounts may not be calculated or budgeted that are lower than those established by the applicable professional football Collective Bargaining Agreement.
  - 5. In the case of dismissal or termination of the employment contract, or the Cession of the Image Rights of a Player or Trainer by the Club/SAD, when the determination of the validity of the compensation or the amount of such is pending a judicial, administrative, sporting or arbitral resolution, the Validation Body, taking into consideration the circumstances of the specific case, will set the amount of this concept, which will be counted as part of the Registrable Squad Cost.
  - 6. When remuneration or compensation has been agreed in the employment contract with the Player or Trainer net of taxes, the gross amount - which will be that attributable as

Registrable Squad Cost - will be calculated by raising the net amount to the gross by applying the relevant tax rates or withholding tax in accordance with the regulatory standards for the respective Taxes on Income.

In order to include said remuneration perceived by Players who will be “non-resident” tax payers in the gross amount for the purposes of Income Tax, as of 31 December in the Season the following rules shall be applied:

- a) Only the tax rates applicable to the remuneration of non-resident tax payers shall be applied.
  - b) The maximum rate to be applied shall be seventy per cent (70%) of the remuneration due for the whole Season, regardless of the date when it is actually paid.
  - c) As for the rest of the remuneration, the same applicable withholding rates shall be applied as to tax payers who are resident in Spain, except for cases involving a Player who is not resident in Spain at the signing of his contract and said contract comes to an end before 1 July in the following Season, in which case the Club/SAD may apply the tax rate stated in paragraph a) above in order to include the Player’s remuneration in the gross amount.
7. The Temporary Cession or Transfer with a Repurchase Option of the Federative Rights of two or more players by the same Club/SAD, when the cessor and assignee and the transferring entity and acquiring entity are Related Parties.
- a) This rule shall be applied to cases in which the cessor and assignee and the transferring entity and acquiring entity are Related Parties.
  - b) When a Club/SAD is the assignee for the temporary cession and/or acquirer by Transfer of the Federative Rights related to a Repurchase Option Right of said Federative Rights, of TWO (2) or more Players ceded and/or transferred by the same Club/SAD, the fixed remuneration to be borne for the corresponding operation will be valued as a Squad Cost, but in any case the individual cost of each Player shall not be lower than the figure resulting from applying the percentages shown below to the Registrable Squad Cost limit assigned to the Club/SAD for Season T and depending on the number of Players ceded in the above circumstances.

Number of Players Ceded and/or Transferred with Repurchase Option Right	Percentage applicable to calculate the Individual Cost of each Player
TWO (2)	3.5 %
THREE (3)	4.0 %
FOUR (4)	5.0 %
FIVE (5)	6.0 %
SIX (6) or more	7.0 %

- c) As the Registrable Squad Cost Limit assigned to the Club/SAD is updated, the individual costs allocated to the Players in the situations expressed will be updated in accordance with the percentages shown above.
- d) If any of the following circumstances are applicable, the Players shall not be taken into

- account to calculate the number of Players ceded:
- (i) If they are ceded to a Club/SAD which in Season T is going to play in First Division and have not played more than FOUR (4) official games in any of the Seasons T-2, T-1 or T in the top professional leagues in Spain, England, Italy, Germany, France, Holland, Turkey, Argentina and/or Brazil and have not played in the national squad of any of these countries. A game played shall be considered as one in which they have played for at least 45 minutes.
  - (ii) If they are ceded to a Club/SAD which in Season T is going to play in Second Division, and have not played more than FOUR (4) official games in any of the Seasons T-2, T-1 and T in the top professional leagues in Spain, England, Italy, Germany, France, Holland, Turkey, Argentina and/or Brazil and have not played in the national squad, or under-21s, of any of these countries. A game played shall be considered as one in which they have played for at least 45 minutes.
  - (iii) For the summer inscription period Players who have not played altogether in more than Eight (8) games in official domestic, foreign or international competitions in the last Sixteen game days of said competitions (accumulated) that their Club/SAD of origin has played, and for the winter inscription period Players who have not played more than four (4) games in the period from the previous 1 July and the effective date of the Temporary Cession or Transfer of Federative Rights with a Repurchase Option Right, shall not count. The same temporary criteria shall be used to determine the number of official games as in sections (i) and (ii) above. (45 minutes).
  - (iv) For the purposes of this, in this section d), "top professional leagues" are understood to be the first and second divisions of the professional leagues in Spain, England, Germany and Italy. In the other leagues mentioned in this paragraph d), only the first or highest division.
- 8. If there is a temporary loan of the federative rights of a Player registered in the squad of the second or dependent team of a Club/SAD and playing in a division below Second Division A, the amount of the expense to be borne by the lending Club/SAD for any of the concepts contemplated in this article, or any income they may perceive, shall be considered as a greater or lesser cost of the Non-Registrable Squad, depending on each case.
  - 9. In the case of contracting a Player that contemplates the extension of its duration to additional optional Seasons, the amount of the resulting amortisation will be computed as the Squad Cost, taking into account only the Seasons that are mandatory for both parties.
  - 10. In the event that the quantification of the price, indemnity or compensation that must be satisfied by the Club/SAD that registers the Player to the Club/SAD of origin or to the coaching Clubs/SADs is pending a judicial, administrative, sporting or arbitral resolution, the Validation Body, taking into consideration the circumstances of the specific case, will set the amount of this concept, which will be counted as part of the Registrable Squad Cost.
  - 11. If there is a transaction between Clubs/SADs, which includes an exchange or swap of Players' Federative Rights, the Validation Body may request an independent valuation of the respective Federative Rights transferred and exchanged or swapped from LaLiga's Valuation Committee. The result of this independent valuation will be used to calculate the Squad Cost Limit of the Clubs/SADs that are part of the operation and that are

affiliated with the League.

Clubs/SADs that submit themselves and have accepted the Acceptable Economic Financial Ratios are exempted from applying this rule.

An exchange of Players' Federative Rights will be understood if, from the information available to the Valuation Committee, it can be deduced that despite the name or apparent structure of the operation or its mode or form of formalisation by the parties to it – including the existence of two or more formally independent operations but carried out during the same market – the concurrence of the swap or exchange of Players' Federative Rights is reasonably deduced.

The cost, including fees, of the independent valuation will be borne by the Club/SAD if the result differs by more than FIFTEEN PER CENT (15%) than that established by the Club/SAD.

Notwithstanding the foregoing, in the event of registration of players whose contract is for a maximum of one Season, the Validation Body may allow the Federative Rights to be valued at zero euros for the purposes of these Regulations.

12. In the event that a Player's contract ends during the T-1 season, and a contractual renewal is agreed that implies an extension to the duration of their contract in accordance with the achievement of certain objectives, sporting or otherwise, the new or renewed contract will only be accepted for registration in LaLiga provided that the Squad Cost Limit granted to the Club/SAD that intends to register the new contract has not been exceeded.
13. The Economic and/or Player's Federative Rights Purchase Option Rights assigned in favour of the Assignee Club/SAD, and whose exercise is conditioned on the realisation of transfer of Economic and/or Federative Rights of other Club/SAD Players' Temporary Assignee, will be understood to have been exercised by the latter, with all its effects for both Clubs/SADs that have been parties to the Option Rights Contract, in any case, on the date of formalising said Purchase Option Rights contract.
14. Any concepts that make up said Squad Cost of Season T whose accrual has been conditioned in the corresponding legal business of the Club/SAD playing in a European competition or in a certain phase of it will be understood to have been effectively realised and will be included in the Squad Cost where they have played in the same competition (or phase) in at least THREE (3) of the FIVE (5) Seasons prior to Season T.

The same rule as in the preceding paragraph will apply to cases where the condition consists of the Club/SAD obtaining certain sporting success, such as reaching a certain position in the classification of any Competition, or in the Copa del Rey.

15. For clubs whose tax residence is in Andorra, the amount to be computed as Squad Cost, corresponding to remuneration or consideration for services as a player or coach, compensation, assignment of image rights, as well as social security contributions, will be calculated according to the following rules:

i.- The Cost will initially be calculated with the consideration of the player or coach being a tax resident in Andorra unless proven otherwise, which will be analysed by the Validation Body in accordance with current tax and social security regulations and, where appropriate, accepted by said Body.

ii.- For players or coaches considered tax residents in Andorra under rule i) above, the Computable Cost will be calculated – jointly with the general rules of sections 1 to 14 of this Article that apply – pursuant to the following subsections:

a.- Gross agreed remuneration. The net remuneration for the

corresponding player or coach will be calculated according to the Andorran tax and social security system to subsequently estimate the gross cost for the club that would relate to said net remuneration when raised to gross according to the Spanish tax and social security system, applying the average of the rates in force in the Autonomous Communities for this. For the purposes of calculating the average of the current rates, the rates applicable in the Autonomous Cities of Ceuta and Melilla will not be taken into account.

b.- Net agreed remuneration. The gross cost for the club that would relate to said net remuneration when raised to gross according to the Spanish tax and social security system will be estimated, applying the average of the rates in force in the Autonomous Communities. For the purposes of calculating the average of the current rates, the rates applicable in the Autonomous Cities of Ceuta and Melilla will not be taken into account.

iii.- For players or coaches deemed non-tax residents in Andorra under rule i) above, the Computable Cost will be calculated in accordance with the general rules of this Article (sections 1 to 14, both inclusive).

#### ARTICLE 40. ADJUSTMENTS TO THE VARIABLE REMUNERATION OF PLAYERS AND COACHES.

In any case, if, in the opinion of the Validation Body following the objective criteria of reasonableness and in accordance with standard practices for signing professional Players, the variable remuneration agreed with Clubs/SADs, whether in the employment contracts signed with Players and Trainers or in the contracts for the temporary or definitive Cession of the Federative Rights of the same, can be qualified as achievable with a high degree of probability (the "remuneration of high probability"), the same will be considered, for the purposes of calculating the Squad Cost, as fixed remuneration.


The objective criteria of reasonableness will mainly include, among other information, the historical data of recent seasons in relation to the number of goals, matches played, sports classifications and titles won.

In any case, compensation clauses conditioned on 20 or fewer games played per season, playing less than 45 minutes per game, as well as those that establish disproportionate additional remuneration in the event of achieving greater targets but bordering on these standards, will be viewed as fixed compensation.

#### ARTICLE 41. SPECIAL RULES FOR CALCULATING THE COST ATTRIBUTABLE TO THE COST OF THE REGISTRABLE SQUAD COST FOR THE REMUNERATION OF PLAYERS AND COACHES OF CLUBS/SADs THAT PLAY IN THE SECOND DIVISION.

1. For those Clubs/SADs that play in the Second Division A in Season T, the annual Cost of each newly registered or contractually renewed Player or Coach, computable for the Registrable Squad Cost, will be calculated by applying the specific rules contained in this article, in addition to the general rules established in Article 39 and consistent with these Regulations.
2. Common rules
  - a) If the Club/SAD is promoted or relegated during the Player's or Coach's contract, the valuations of attributable cost will be those resulting from applying the rules contained in this article, unless the contract is modified or renewed, where the

- aforementioned rules will apply on the new remuneration or duration.
- b) The valuation resulting from the rules of this Article constitutes the general rule, relating to a complete Season. As a special rule, valuations of players made from the Day that the Validation Body fixes in each season, will be equivalent to 75% of the valuation corresponding to the entire Season in all cases, regardless of the date of the contract or the registration of the Player valued. This percentage will be 50% with the opening of the winter market and until 10 days remain in the league, from which date it will be 25%.
  - c) Notwithstanding the generic powers that Article 105 confers on the Validation Body, it may compute the remuneration contractually agreed by the parties as the squad cost in the following cases:
    - (i) Players who have suffered a long-term injury during Season T-1, accepted by the LaLiga Medical Committee. The same treatment will be given to winter market registrations when the injury was suffered in Season T.
    - (ii) Players who are over 36 years old at the start of Season T. On a temporary basis, for the 2020/2021, 2021/2022 and 2022/2023 seasons, the reference age will be 32 years old, exclusively in cases where the contractually agreed remuneration does not differ by more than 25% between that expected for Season T and the maximum expected for any of the seasons in the contract.
    - (iii) Goalkeepers who are over 38 years old at the start of Season T. On a temporary basis, for the 2020/2021, 2021/2022 and 2022/2023 seasons, the reference age will be 34 years old, exclusively in cases where the contractually agreed remuneration does not differ by more than 25% between that expected for Season T and the maximum expected for any of the seasons in the contract.
  - d) For valuation purposes, it takes into account the sum of the referred Player's salary plus the price of the temporary assignment of Federative Rights, if applicable, by the Assignee Club/SAD.
  - e) For the purposes of these Rules, it is understood that a Player has played in an official match for a Club/SAD (or a national team where appropriate) when they have played at least FORTY-FIVE (45) minutes in the match.
  - f) An official match is understood to be the one played in a Club competition organised by a Federation or Professional League.
  - g) For the purposes of this article, "top professional leagues" are understood to be the first and second divisions of the professional leagues in Spain, England, Germany and Italy. In the other leagues mentioned, only the first or highest division.
3. Rules for cases where there are increases in the remuneration agreed greater than certain percentages between two or more Seasons of the duration of the Contract
- a) In the event that the duration of the contract between the Club/SAD and the respective Player or Coach comprises TWO (2) complete football seasons, counting Season T as the first, an increase in remuneration in the second Season of more than TWENTY-FIVE PER CENT (25%) over the preceding one cannot be considered. Otherwise, the excess will be allocated to the Cost of the first Season in a sufficient amount until said maximum percentage increase is met.
  - b) Should the duration of the contract exceed TWO (2) football seasons, counting Season T as the first, the following rules are to be followed:

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- (i) If the remuneration in any Season of the Player's or Coach's contract with respect to that of the previous one is more than a TWENTY-FIVE PER CENT (25%) increase, the remuneration of all Seasons of the contract will be added and the remuneration of each adjusted by the minimum amount necessary so that it does not exceed the aforementioned increase of 25% for the purposes of their allocation to the Squad Cost.
  - (ii) The final Season of the duration of the contract will only be used in the calculation referred to in rule (i) above if:
    - a. The remunerations agreed for that final Season are greater than those of the second Season, for contracts lasting THREE (3) seasons, or
    - b. The remunerations agreed for that last Season are higher than the average remunerations agreed in all Seasons of the contract's duration, except the first and the last, for contracts exceeding THREE (3) football Seasons.
  - (iii) In any case, as well as making the above adjustments contemplated in paragraph 3. b), at least the greater of the following two will be computed as remuneration in T:
    - a. The contractually agreed remuneration of the Player or Coach.
    - b. The result of adding the agreed remuneration for T and T+1, adjusted in such a way that the year-on-year increase between both seasons does not exceed 25%.
- c) In the event that it is a Player who has been contracted for at least the THREE (3) complete and consecutive previous Seasons at the same Club/SAD, who is also under 23 years old during the whole of Season T, the percentage considered in sections a) and b) above will be FORTY (40) PER CENT, instead of 25%.



d) Examples of applying the rules contained in section 3. b)

Example 1			
Contract duration	Season 1	Season. 2	Season 3
Remunerations agreed	100	200	300
Adjusted for Squad Cost	157	197	246

Example 2			
Contract duration	Season 1	Season. 2	Season 3
Remunerations agreed	100	200	100
Adjusted for Squad Cost	133	167	100

Example 3				
Contract duration	Season 1	Season. 2	Season 3	Season 4
Remunerations agreed	100	200	200	400
Adjusted for Squad Cost	156	195	244	305

Example 4			
Contract duration	Season 1	Season. 2	Season 3
Remunerations agreed	100	200	185
Adjusted for Squad Cost	133	167	185

Example 5			
Contract duration	Season 1	Season. 2	Season 3
Remunerations agreed	100	900	800
Adjusted for Squad Cost	444	556	800
Note: The remunerations of Season 3 are not greater than those of Season 2			

Example 6			
Contract duration	Season 1	Season. 2	Season 3
Remunerations agreed	100	900	400
Adjusted for Squad Cost	444	556	400
Note: The remunerations of Season 3 are not greater than those of Season 2			

Example 7				
Contract duration	Season 1	Season. 2	Season 3	Season 4
Remunerations agreed	100	1000	600	100
Adjusted for Squad Cost	446	557	697	100
Note: The remunerations of Season 4 are not greater than the average of Seasons 2 and 3				

4. Applicable rule in the event of cumulative application of the Rules contained in section 3 of this article.

For the third and subsequent Player or Coach of the Club/SAD whose computable Cost should be adjusted in accordance with the rules of section 3 of this article, their individual annual Cost of Season T attributable to the Squad Cost will be equal to the cost of the Contract duration Season that offers the highest remuneration agreed upon, and for the remaining Contract duration Seasons pending, the average of the agreed remunerations will be allocated, excluding the remuneration allocated in Season T.

5. Assumption of reduced remuneration.

When agreed between the Club/SAD and a Player or Coach registered in their squad who had a reduction in remuneration for Season T, the remuneration that the Player or Coach was receiving before said reduction will be calculated as Registrable Squad Cost unless the duration of the contract is extended and complies with the rules established in the previous sections 3 and 4.

6. Assumptions for calculating the Attributable Cost for the remuneration of Players who have played in official matches for Clubs/SADs who in turn have done so in certain professional competitions and divisions.

a) The Cost attributable to the Registrable Sports Squad Cost of a Player in which the circumstances and conditions indicated below concur will be –in each and every Season of the duration of their contract– at least FIFTY PER CENT (50%) of the remuneration received by the Player in Seasons T-2 or T-1, whichever is greater, in the Club/SAD where they provided their services.

(i) First assumption: The Player has played:

a. For both Seasons T-1 and T-2, in at least TWENTY (20) official matches, and where at least EIGHT (8) of them have been in Season T-1, or in FOUR (4)

official matches in Season T, (for Goalkeepers, the aforementioned matches will be THIRTY (30), TWELVE (12) and SIX (6) respectively), and

- b. For a Club/SAD competing in the top divisions of professional leagues in Spain, England, Italy, Germany, France, Holland, Turkey, Argentina, or Brazil or, without belonging to these leagues, is a Club/SAD that has played in T-1 in European competitions.

(ii) Second assumption: The Player has played:

- a. For both Seasons T-1 and T-2, in at least TWENTY (20) official matches, and where at least EIGHT (8) of them have been in Season T-1, or in FOUR (4) official matches in Season T, (for Goalkeepers, the aforementioned matches will be THIRTY (30), TWELVE (12) and SIX (6) respectively), and
- b. For a Club/SAD competing in the top division of professional leagues in the People's Republic of China or the United States of America, and
- c. Provided that the Player has played in at least TWENTY (20) official matches in Seasons T-2, T-3 or T-4 for a Club/SAD competing in the top division of professional leagues in Spain, England, Italy, Germany, France, Holland, Turkey, Argentina or Brazil, whether or not it refers to a Club/SAD belonging to these leagues that has played in Seasons T-1, T-2, T-3 or T-4 in European competitions. For Goalkeepers, the aforementioned matches will be THIRTY (30).

- b) In the event that the remunerations received by the Player cannot be credited in the cases described in paragraphs a) (i) and a) (ii), the computable remuneration will be at least six times the minimum wage established in the professional football Collective Bargaining Agreement for the corresponding Division. In no case may the computable remuneration be higher than eight times the said minimum wage, unless the one actually agreed between the parties is higher. In cases where it is eight times the minimum wage, the proportionality established in Article 41.2 of these Rules shall not apply, with the maximum applicable decrease on said amount being 25% for contracts from the first (1st) of December of the Season in question.

#### 7. Assumptions of temporary cession of Players' Federative Rights

- a) When a Club/SAD receives the, temporarily ceded, Players' Federative Rights from another Club/SAD, in calculating the Registrable Squad Costs, the remuneration resulting from the rules established in the following sections and in accordance with the conditions and circumstances of the loaned Player and the lending Club/SAD, according to the different assumptions contemplated.
- b) Common rules.
  - (i) The rules included in this section 7 are understood to be without prejudice to the provisions of section 39.7. b) of these Regulations on the valuation of temporary cession operations between related parties, which will be applied in any case on a preferential basis.
  - (ii) In any case, for the purposes of the provisions of this section 7, it will be understood that there is a Temporary Cession of the Player's Federative Rights in the Transfer operations of said Federative Rights when it is reasonably deduced by the Validation Body from the circumstances of the operation that the contractual conditions, or the declarations of those affected, that the operation has the effect of a Temporary Cession of Federative Rights.
- c) The contractually agreed remunerations between the parties will be calculated, with

the minimum, in any case, of the salary agreed in the Professional Football Collective Bargaining Agreement corresponding to the Division in cases where the following circumstances come into play:

Where the Player – having been contracted for at least THREE (3) full and consecutive Seasons in the transferring Club/SAD – has not played more than FOUR (4) official matches, (or EIGHT (8) for Players under 23 years old (for Goalkeepers, the aforementioned matches will be SIX (6) and TWELVE (12) respectively) in neither Season T-2 or T-1 (for summer market registrations of T) or T (for winter market registrations of T) for a Club/SAD that plays in the top division of professional leagues in Spain, England, Italy, Germany, France, Holland, Turkey, Argentina or Brazil, the People's Republic of China or the United States of America. In the case of these last two leagues, the provisions of this paragraph will only apply if the player has played at least TWENTY (20) official matches in the other mentioned leagues in Seasons T-3 and/or T-2. For Goalkeepers, the aforementioned matches will be THIRTY (30).

The provisions of this paragraph shall also apply when it is a Club/SAD not belonging to these leagues that has played in European competitions in Season T-1.

- d) When the Player does not meet the conditions referred to in section c) above or the following section e) and has played in at least TWENTY (20) official matches, during the whole of Seasons T-2, T-1 and T, as well as having played in at least Eight (8) official matches in Season T-1 or Four (4) in Season T, (for Goalkeepers, the aforementioned matches will be THIRTY (30), TWELVE (12) and SIX (6) respectively) for a Club/SAD that competes in the top divisions of professional leagues in Spain, England, Italy, Germany, France, Holland, Turkey, Argentina or Brazil, the People's Republic of China or the United States of America. In the case of these last two leagues, the provisions of this paragraph will only apply if the player has played at least TWENTY (20) official matches in the other mentioned leagues in Seasons T-3 and/or T-2. For Goalkeepers, the aforementioned matches will be THIRTY (30). The provisions of this paragraph shall also apply when it is a Club/SAD not belonging to these leagues that has played in European competitions in Season T-1.

In these cases, the computable remuneration will be at least FIFTY PER CENT (50%) of the remuneration received by the Player in Seasons T-2 or T-1, whichever is greater, in the Club/SAD for which they provided their services in said Season.

This rule will apply to each and every Season for the duration of the Player's contract.

If said remuneration cannot be proven, the remuneration computable to the Squad Cost will be four times the minimum agreed in the Professional Football Collective Bargaining Agreement for the Division. In no case may the computable remuneration be higher than eight times the said minimum wage, unless the one actually agreed between the parties is higher. In cases where it is eight times the minimum wage, the proportionality established in Article 41.2 of these Rules shall not apply, with the maximum applicable decrease on said amount being 25% for contracts from the first (1st) of December of the Season in question.

- e) When the Player has played in at least TWENTY (20) official matches in Season T-1, (for Goalkeepers, the number of the aforementioned matches will be THIRTY (30)), for a Club/SAD that competes in the top division of professional leagues in Spain, England, Italy, Germany, France, Holland, Turkey, Argentina or Brazil or, that without belonging to these leagues, it is a Club/SAD that has played in Season T-1 in European competitions, the computable remuneration will be –in each and every Season of the duration of their contract– at least FIFTY PER CENT (50%) of the remuneration received by the Player in Season T-2 or T -1, whichever is greater, in the Club/SAD for

which they provided their services in said Season. If said remuneration cannot be proven, the computable remuneration will be six times the minimum agreed in the Professional Football Collective Bargaining Agreement for the Division. In no case may the computable remuneration be higher than eight times the said minimum wage, unless the one actually agreed between the parties is higher. In cases where it is eight times the minimum wage, the proportionality established in Article 41.2 of these Rules shall not apply, with the maximum applicable decrease on said amount being 25% for contracts from the first (1st) of December of the Season in question.

- f) In assumptions of temporary cession of Players' Federative Rights not included in any of the cases considered in the previous sections, the following rules will be applied to calculate their respective remuneration:
- (i) For the first Player ceded, the remuneration agreed between the parties, with the minimum agreed in the Professional Football Collective Bargaining Agreement for the Division.
  - (ii) For the second Player ceded, the minimum agreed in the Professional Football Collective Bargaining Agreement for the Division multiplied by 1.7
  - (iii) For the third Player ceded, the minimum agreed in the Professional Football Collective Bargaining Agreement for the Division multiplied by 2.0
  - (iv) For the fourth and subsequent Player ceded, the minimum agreed in the Professional Football Collective Bargaining Agreement for the Division multiplied by 3.0

The order of the Players for the provisions of this paragraph f) will be established by the Assignee Club/SAD without it necessarily having to be by time order and said order can be modified in accordance with the temporary cessations of that Club/SAD.

- g) In any case, the Player cost ceded from a Club/SAD affiliated to the Spanish professional league competing in the First Division in Season T must be included in the Assignee Club/SAD's valuation of the first team (although their registration in the first team is not requested), provided that the aforementioned player has played at least FOUR (4) official matches in Season T-1 or T-2, (for Goalkeepers, the aforementioned matches will be SIX (6)) in the top division of the professional leagues in Spain, England, Italy, Germany, France, Holland, Turkey, Argentina or Brazil or, that without belonging to these leagues, it is a Club/SAD that has played in Season T-1 in European competitions.
- h) For the purposes of calculating the Squad Cost Limit, the income of the Player's Federative Rights from the temporary transferring Club/SAD will not be computed for the Club/SAD, except for that obtained as a consequence of transferring Players' Federation Rights.

8.

The valuation resulting from the rules contained in sections 6 and 7 of this article will be reduced – always by the minimum of the agreed remuneration and respecting the minimum salary pursuant to the Agreement – by 25% of the valuation when at least two of the following individual objective circumstances are met:

- Decrease in the player's market value by at least 50% between T-3 and T-1, which must be verified by the Valuation Committee.
- A maximum age of 6 months younger than that referred to in section 2.c. of this article.

- Salary greater than 1,500,000 euros in any of the reference seasons in which the rules of this article are applied and that exceeds the valuation made by the Valuation Committee. Regarding this circumstance, a decreasing percentage reduction (between 25% and 0%) will also be applied when the reference salary is between 1,125,000 and 1,500,000 euros.

The reduction will be 50% if these three individual objective conditions are met.

## CHAPTER FOUR BUDGETARY BREAK-EVEN POINT

### *Section One*

#### *Obligation to Comply with the Budgetary Break-even Point in Income and Expenses and Groups of Clubs*

ARTICLE 42. OBLIGATION TO COMPLY WITH THE BUDGETARY BREAK-EVEN POINT IN INCOME AND EXPENSES.

1. LaLiga Income and Expense Budgets – and, where appropriate, the Updated LaLiga Budgets – must comply with the requirement of a balanced budget (Budgetary Break-even Point) as defined in these Standards.
2. For the purposes of these Standards, different Budgetary Break-even Points are established for each group into which the Clubs/SADs are classified, depending on their respective bankruptcy situations or lack thereof.

ARTICLE 43. GROUPS INTO WHICH THE CLUBS/SADs ARE CLASSIFIED FOR THE PURPOSES OF DETERMINING THE BUDGETARY BREAK-EVEN POINT.

1. For the purposes of determining the respective Budgetary Break-even Point, the Clubs/SADs are classified into the following three groups according to their respective bankruptcy situations:

<i>Group</i>	<i>Situation</i>
A	Clubs/SADs that have not been declared as Under Administration at any time since they were founded.
	Clubs/SADs that have been declared as Under Administration and that meet either of the two following conditions:

	<p>a) have complied with the approved Creditors' Agreement, having paid all the recognised claims in the bankruptcy, both preferential as well as ordinary and subordinated.</p> <p>b) the amount of acknowledged outstanding administration debt as of 31 December in T-1 does not exceed fifteen (15) per cent of the estimated net turnover for Season T and accepted by the Validation Body.</p>
B	Clubs/SADs that have been declared as Under Administration and that, with the Creditors' Agreement approved, do not meet either of the above conditions for classifying the Club/SAD in Group A.
C	Clubs/SADs that have requested to be, or are declared as, Under Administration and in which procedure a Creditors' Agreement has not yet been approved.

2. The inclusion in a particular Group will be determined depending on the respective situation as of the deadline for submitting the LaLiga Budgets (30 April T-1).
- 3.- For the purposes of considering a Club / SAD as being Under Administration and the concept and amount of the Bankruptcy Debt, the provisions of Article 22.2 of these Regulations will be followed.

## *Section Two*

### *Income and Expense Budget Break-even Point for each of the Groups of Clubs/SADs*

#### ARTICLE 44. DETERMINATION OF THE BUDGETARY BREAK-EVEN POINT FOR EACH OF THE GROUPS OF CLUBS/SADs

##### 1. GROUP A.

The LaLiga Income and Expense Budgets of Clubs/SADs included in Group A are understood to comply with the Budgetary Break-even Point when the algebraic sum - according to the positive or negative sign that is stated for each - of the different budgetary items listed in the following table is equal to or greater than zero (0).

<i>Concept</i>	<i>Sign</i>
"0" or Positive Results Season T-2, unless positive results are taken from Season T-1. Notes (1) (2). In accordance with Article 45 of these Regulations.	Positive

"0" or Positive Results Season T-1, unless positive results are taken from Season T-2. Notes (1) (2) (3). In accordance with Article 45 of these Regulations.	Positive
Budgeted Results Season T.	Positive
Computable Contributions that meet the requirements of Chapter Four of Title III of these Standards.	Positive
Negative Result on the Profit and Loss Account before taxes for Season T-2 that has not been taken into account for calculating the Budgetary Break-even Point for Seasons prior to Season T.	Negative
The Negative Result before taxes estimated for Season T-1. Note (4)	Negative
The estimated Tax Liability with respect to Corporation Tax for Season T. Note (5)	Negative
The Estimated Tax Liability with respect to Corporation Tax for Season T-1. Note (5)	Negative
The Tax Liability with respect to Corporation Tax for T-2. Note (5)	Negative
The adjustments resulting from the verification provided for in Article 21 referring to the verification procedures of these Standards, when comparing the results of transactions submitted by the Club/SAD, once their LaLiga Budget for Season T-1 has been accepted, in order to increase their Limit on the Registrable Squad Cost in Season T-1 and the actual amount thereof.	Negative
The higher Squad Cost, including Collective Bonuses (provided they do not meet the provisions of Article 39) verified by the auditor in accordance with the verification procedures set out in these Standards, brought up when comparing the information submitted by the Club/SAD for the Registrable Squad Cost for Season T-1 and the actual amount thereof.	Negative
The Computable Contributions to increase the Limit on the Registrable Squad Cost, returned to the Contributors or Related Parties with the same.	Negative
The amount of overdue receivables, of a fixed amount and due, that are owed to LaLiga as of 30 June Season T-1.	Negative

Notes on application:

- (1) Only positive results from Financial Statements that are verified by the Accounts Auditor will be taken into account.
- (2) The amount of these Results will be adjusted by the quantified exceptions in the auditor's report on the Financial Statements for the Season in question.
- (3) These Results may not be used to determine the Budgetary Break-even Point corresponding to Season T+1.



- (4) The part of the negative balance on the Profit and Loss Account before tax for Season T-1 which is allocated for calculating the Break-even Point for Season T will not be allocated for calculating the Budgetary Break-even Point for Season T+1.
- (5) Fees will be computed even though not entailing a payment obligation for the Club/SAD (amounts recorded as revenue or less expenditure will not be computed).

## 2. GROUP B

The LaLiga Budgets of Clubs/SADs included in this Group comply with the Budgetary Break-even Point when the following two circumstances both occur:

- a) That the algebraic sum - according to the positive or negative sign that is stated for each - of the concepts listed in the table below is equal to or greater than the amount of the resources that the Club/SAD would have to generate in Season T in accordance with the provisions of the Viability Plan supporting the Creditors' Agreement that was approved in the relevant bankruptcy proceedings, and

<i>Concept</i>	<i>Sign</i>
The Resources to be Generated (according to the definition provided in the Definitions Annex) by the Club/SAD in T.	Positive
The amount of the Computable Contributions provided for in Chapter Four of Title III of the Standards, with the limitations set out therein for the Clubs and SADs to which this section refers.	Positive
The difference (provided it is negative) resulting from comparing the resources which, in accordance with the Viability Plan supporting the approved Creditors' Agreement, the Club/SAD would need to generate in Season T-1 and T-2 and those which were actually generated or expected to be generated (to be considered as a negative sum). Note (1)	Negative
The adjustments resulting from the verification provided for in the Chapter of these Standards referring to verification procedures, when comparing the results of transactions submitted by the Club/SAD, once their budget for Season T-1 has been accepted, in order to increase their Limit on the Registrable Squad Cost in Season T-1 and the actual amount thereof.	Negative

The higher Squad Cost, including collective bonuses (provided they do not meet the provisions of Article 39 of these Standards), verified by the auditor in accordance with the verification procedures set out in Article 21 of these Standards, brought up when comparing the information submitted by the Club/SAD for the Registrable Squad Cost for Season T-1 and the actual amount thereof.	Negative
Computable Contributions that have increased the Squad Cost Limit	Negative
and returned to the Contributors or Related Parties with the same.	
The amount of overdue receivables, of a fixed amount and due, that are owed to LaLiga as of 30 June T-1.	Negative

b) In addition, not submitting (budgeting) losses on the LaLiga Budgets for Season T.

Notes on application

- (1) The negative difference expressed that is allocated for calculating the Break-even Point for Season T will not be allocated for the calculation of the Budgetary Break-even Point for Season T+1.
- (2) With respect to the Clubs/SADs that are included in this Group, the Validation Body shall have the authority to adjust the amount of the Resources to be Generated that are set in the Viability Plan supporting the Creditors' Agreement.

### 3. GROUP C

The Budgets of Clubs/SADs included in Group C must comply with the same Budgetary Break-even Point as provided for those included in Group B.

In any case, the Validation Body is responsible for estimating, at its discretion and based on the Creditors' Agreements of Club/SADs of similar characteristics and any other concurrent circumstances that could, in its opinion, affect the Club/SAD in question, the amount of the Resources that must be generated in Season T.

### 4. COMMON NOTES ON APPLICATION

- (1) The references to the pre-tax results of the Profit and Loss Account and to resources generated made throughout these Regulations – specifically in the rules for calculating the Budgetary Break-even Point – will be adjusted in any case with the revenues and/or expenses charged directly to Equity, exclusively applying the Spanish General Accounting Plan as a supplementary regulation in any case.
- (2) The amount set for taxes on profits will be accompanied by the corresponding explanation from the Club/SAD on the calculations and adjustments made to obtain it.
- (3) For the purposes of considering a Club as being Under Administration and the

concept and amount of the Bankruptcy Debt, the provisions of Article 22.2 of these Regulations will be followed.

- (4) References to the pre-tax results of the Profit and Loss Account and generated resources made in the calculation rules of the Budgetary Break-even Point will be adjusted in any case for the negative effect and its subsequent reversal by an amount equivalent to the Registrable Squad Cost employed by the club under the provisions of Article 100 bis. As a clarification, the Cost whose effect will be neutralised is exclusively that referred to in section ii) of said article.
- (5) The pre-tax results of the Profit and Loss Account (and the negative difference of resources generated) of Seasons T-1 and T-2 will only be considered to have been taken into account in calculating the Budgetary Break-even Point when they have had an effective impact on the Registration ability of the Club/SAD by reducing the balance of the Squad Cost Limit available. They will not therefore be considered as such when their only effect is to imply an increase in the excess on said Squad Cost Limit. Pursuant to the above, losses (and the negative difference in resources) that have not been taken into account will remain pending application for an indefinite period of time (thereby becoming T-3, T-4, etc.) until that season in which they may have an effective impact on the registration capacity of the Club/SAD, at which they will be applied by reducing the Squad Cost Limit.

#### ARTICLE 45. SPECIAL RULES FOR CALCULATING POSITIVE RESULTS.

1. Clubs/SADs that have not audited their Annual Accounts for Season T-2 will not be able to calculate the Positive Results of the Profit and Loss Account for said Season T-2 to determine compliance with the Budgetary Break-even Point for Season T.
2. Clubs/SADs that - even having audited their Annual Accounts for Season T-2 - do not meet the Acceptable Economic and Financial Ratios described in Article 24 will not be able to calculate the Positive Results of the Profit and Loss Account for said Season T-2 to determine compliance with the Budgetary Break-even Point for Season T.
3. Clubs/SADs that calculate Positive Results for T-1 for compliance with the Budgetary Break-even Point, in accordance with the requirements laid down in these Standards, shall comply with the provisions of this article, adapting the references made to Season T-2 to Season T-1.
4. Gains arising from the transfer Economic Rights derived from Federative Rights, i.e., when the Player's Federative Rights are not transferred and the Player continues to be registered in the transferring Club/SAD's squad, will be considered in the calculation of the Registrable Squad Cost Limit subject to and complying with each and every one of the following conditions, rules and criteria (in addition to the general rules established by these Regulations):
  - (i) Only gains of the aforementioned nature may be taken into account in calculating the Squad Cost Limit up to a maximum amount that does not exceed TEN PER CENT (10%) of the Club/SAD's Net Turnover.
  - (ii) The transfer price of the Economic Rights must be paid by the acquirer Club/SAD using the minimum amounts and maximum period indicated below:

FIFTY PER CENT (50%) at the time of signing the corresponding contract for the transfer of Economic Rights.

SEVENTY-FIVE PER CENT (75%) accumulated, within 3 months of the contract being signed, and

ONE HUNDRED PER CENT (100%) accumulated, within 6 months of the contract being

signed.

- (iii) The contract to transfer Economic Rights cannot set any condition or limitation to the working conditions of the affected Player. (Clubs where they should play, divisions, remuneration, etc.) or any restriction on the assignee Club/SAD's authority for the use of the Player's services.
- (iv) The acquirer of the Economic Rights must necessarily be another Club/SAD affiliated with LaLiga.
- (v) The transfer of Economic Rights may not be subject to any suspensive or resolutive condition, except for that which may be agreed upon for non-compliance.
- (vi) In the event that, at any time before or after the next transfer of the affected Player's Federative Rights, the contract to transfer the Economic Rights is terminated in full or in part, both the transferring Club/SAD and the acquirer will not be able to compute gains derived from any other subsequent operation of the same nature carried out during two consecutive transfer markets for the calculation of the Squad Cost Limit. The Validation Body will determine if the measure is applied in the same market in which the initial transfer was left without effect, or from the next market, based on the registration capacity achieved by the Club/SAD derived from the initial transfer.
- (vii) The Squad Cost Limit will be adjusted as soon as possible after said contract is terminated, for the same amount that would have been taken into account to increase the transferring Club/SAD's Squad Cost Limit.
- (viii) A market valuation of the aforementioned Economic Rights carried out by the LaLiga Valuation Committee made up of independent experts must be provided, the cost of which will be borne by the Club/SAD transferring the Rights.

#### ARTICLE 46. SPECIAL RULE FOR THE ADJUSTMENT OF LOSSES RESULTING FROM REDUCTIONS SUPPORTED BY CLAIMS AGAINST OTHER CLUBS/SADs UNDER APPROVED CREDITORS' AGREEMENTS.

To determine compliance with the Budgetary Break-even Point, the losses that a creditor Club/SAD has had to bear or currently bears or posts on the Profit and Loss Account for Season T-2, or estimated for Season T-1, as a result of reductions in claims borne in its favour with Clubs/SADs of Spanish nationality, approved in a Creditors' Agreement as part of bankruptcy proceedings, will be adjusted, proportionately calculating said losses by equal third parties, in three of the following four seasons: T-1, T, T+1 or T+2, as the Club/SAD decides.

#### ARTICLE 47. SPECIAL RULE FOR THE ADJUSTMENT OF REVENUE OF BANKRUPT CLUBS/SADs RESULTING FROM REDUCTIONS APPROVED IN CREDITORS' AGREEMENTS.

1. For the purposes of compliance with the Budgetary Break-Even Point, Revenue recorded by Clubs/SADs as a result of reductions in debts covered by their own approved Creditors' Agreement should be adjusted in the opposite direction to that included on the Profit and Loss Account for the financial year in which they would have been recorded.
2. These Revenues will also not be taken into account for calculating the Net Turnover to be taken into consideration for meeting ratios and
3. Revenues recorded as a result of having recognised lower debts or a surplus or the application of provisions from the Administration, although not classified as a reduction in the strict legal sense, will not be taken into account for compliance with the Budgetary

Break-even Point.

ARTICLE 47 BIS. SPECIAL RULES FOR CLUBS/SADs PLAYING IN SECOND DIVISION A.

Clubs/SADs playing in Second Division A and which have not made use in Season T of the possibility of increasing the Squad Cost Limit with profits obtained from the Transfer of Players' Federative Rights, in accordance with what is set forth in Article 91.3 of these Regulations, may take said profits into account in the following Season in the calculation of the Budgetary Break-even Point.

ARTICLE 47 TER. BUDGETARY BREAK-EVEN POINT AND ASSIGNMENT OF A NEW SQUAD COST LIMIT BASED ON AUDITED ANNUAL ACCOUNTS.

1. When the Club/SAD's annual accounts for Season T-1 (which should be presented by the Club/SAD in Season T in accordance with Book X of the General Regulations) have been audited, if it becomes evident that the amount of the negative result and/or the amount of revenue generated in said Season T-1 is respectively higher or lower than that initially taken into account to determine the Budgetary Break-even Point for Season T, said Point shall be adjusted by the amount resulting from the figures in the audited Annual Accounts and the Squad Cost Limit initially assigned by the Validation Body for Season T shall consequently be proportionally adjusted in accordance with these Regulations. This adjustment shall become effective on 1 December in said Season T.
2. If the Squad Cost Limit initially assigned for Season T exceeds the new Limit assigned as a consequence of the above adjustments, the excess incurred shall reduce the Club/SAD's Squad Cost Limit for Season T+1.
3. This regulation shall come into force on 1 July 2018.

ARTICLE 47 QUATER. SPECIAL RULE FOR CALCULATING THE BREAKEVEN POINT IN CLUBS/SADs WITH ADDITIONAL EXPENSES DERIVED FROM PERMANENCE CLAUSES IN THE FIRST DIVISION AND OTHER SPECIAL SITUATIONS.

1. However, those Clubs/SADs that will play in the First Division in Season T and, that for determining their Budgetary Break-even Point, are included in Groups B or C referred to in Article 43 of these Regulations, may not compute the expenses that increase their Squad Cost in Season T accruing as a result of applying permanence clauses in said First Division in Season T+1 for said determination, provided that the Resources to be Generated required to obtain the Budgetary Break-even are lower in Season T+1 than in Season T with a quantitative limit equivalent to TWENTY PER CENT (20%) of the difference in resources to be generated between said Seasons T+1 and T.
2. Also, as an exception, the remunerations conditioned on the Club/SAD remaining in its Division will not be computed for the Squad Cost Limit, with a maximum of TWO PER CENT (2%) of the budgeted and validated Net Turnover for Season T of Clubs/SADs that will play in the First Division in said Season.
3. Clubs/SADs that have played in the First Division in at least THREE (3) of the FIVE (5) Seasons prior to T or in FIVE (5) of the TEN (10) prior to T may not apply this special rule.

*Section Three*

*The break-even in the LaLiga Treasury Budget*

#### ARTICLE 48. BREAK-EVEN POINT IN THE LALIGA TREASURY BUDGET.

1. The LaLiga Treasury Budget must be balanced in accordance with the assumptions and hypotheses on which it is based, following the provisions laid down in these Standards.
2. It will be understood that the LaLiga Treasury Budget is balanced when there is a positive balance on the Club/SAD's Treasury at the start and end of each monthly period of Season T.
3. Otherwise, the Validation Body may carry out a corresponding adjustment to the Limit on the Squad Cost to be granted to the Club/SAD in order that the LaLiga Treasury Budget remain balanced according to the provisions of the preceding paragraph.

### CHAPTER FIVE

#### ACCEPTANCE AND VALIDATION OF LALIGA BUDGETS AND ALLOCATION OF LIMITS ON SQUAD COSTS

##### *Section One General*

##### *Provisions*

#### ARTICLE 49. ACCEPTANCE AND VALIDATION OF LALIGA BUDGETS. COMPETENCIES.

1. The Validation Body has the competence to decide on the acceptance and validation or non-acceptance and non-validation of LaLiga Budgets.
2. The Validation Body will accept and validate the LaLiga Budgets submitted that comply with both the valuation rules as well as the Budgetary Break-even Points, without prejudice to the exceptions provided for in these Standards.
3. LaLiga Budgets will not be accepted by the Validation Body that are not submitted in the format and/or on the Standard Reporting Forms referred to in these Standards.
4. The Validation Body will grant the Clubs/SADs a reasonable period of time for correcting errors and/or omissions of a material nature.
5. Once the LaLiga Budgets have been accepted and validated, the Validation Body will

assign to the Club/SAD the Limit on the Total Squad Cost and the proportionality of the Registrable Squad Cost for Season T.

#### ARTICLE 50. ALTERNATIVE LALIGA BUDGETS.

1. The Validation Body may require the Club/SAD to submit an alternative LaLiga Budget with the assumptions and foundations that this body specifically states and deems appropriate, regardless of the version of the LaLiga Budget that had been submitted by the Club/SAD.
2. In the event that the Validation Body decides on the above, the Club/SAD in question must submit the alternative LaLiga Budget within ten (10) days of the date of notification of such requirement.

#### ARTICLE 51. PROVISIONAL CONDITIONAL ACCEPTANCE.

1. The Validation Body may accept and validate the LaLiga Budgets on a conditional basis depending on the Club/SAD's compliance with the terms and conditions and deadlines set.
2. The conditions may set specific limitations, rules and obligations of an economic and financial nature or consist of supervision, verification or information measures for their compliance by the Club/SAD.

#### ARTICLE 52. DEADLINE FOR THE ACCEPTANCE OR NON-ACCEPTANCE OF SUBMITTED LALIGA BUDGETS.

1. The Validation Body shall decide on the Acceptance or Non-Acceptance of submitted LaLiga Budgets before 31 May of Season T-1 as a general rule, and within SEVEN (7) days of the submission of such in the special situations provided for in Articles 28 and following.
2. In the event that the submitted LaLiga Budgets are not accepted, the Validation Body will require the Club/SAD to provide the explanations, justifications or additional documentation it deems appropriate and the adjustments procedure regulated in Section Two of this Chapter will be followed.
3. These explanations, justifications or additional documentation that the Validation Body requires from the Club/SAD will be provided in an appearance before the Validation Body to be held before 15 June of Season T-1 in general cases, and before 5 July of Season T in special cases and within 5 days of submission in cases in which the Club/SAD is promoted to Second Division A.
4. The LaLiga Budgets that are not accepted will be modified and adjusted by the Validation Body in accordance with the rules laid down in this Chapter.

### *Section Two*

#### *Adjustments to submitted LaLiga Budgets*

#### ARTICLE 53. BUDGET ITEM VALUATION ADJUSTMENTS DUE TO FAILURE TO COMPLY WITH THE VALUATION CRITERIA AND RULES.

Once the explanations, justifications or additional documentation that the Validation Body

required from the Club/SAD have been received, this body will carry out the corresponding Item valuation adjustments on the submitted LaLiga Budget to bring these valuations into line with the general principles and specific criteria and rules that these Standards set out for calculating the value of each Budget Item.

ARTICLE 54. BUDGET ITEM VALUATION ADJUSTMENTS ARISING FROM A LACK OF REASONABLENESS IN THE BASES AND ASSUMPTIONS TAKEN INTO CONSIDERATION IN THE PREPARATION.

1. The Validation Body may carry out adjustments to the values stated in the LaLiga Budgets submitted by Clubs/SADs upon the occurrence of unreasonableness in the assumptions that support the LaLiga Budgets, because of a lack of, or insufficient, justification and/or because of not matching the Club/SAD's historical data and, as a result of which, in the Limit on the Squad Cost to be set for the Club/SAD.
2. The Validation Body will adjust the valuation of the Budget Items affected by applying the corresponding alternative assumptions, deemed more reasonable than those provided by the Club/SAD.
3. In particular, the Validation Body may carry out these adjustments upon the occurrence of unreasonableness in any of the following assumptions used by the Club/SAD for estimating:
  - a) the time of collection of receivables:
    - (i) Due from debtors that are Under Administration or in a difficult economic and financial situation according to public records or information, or from certain Public Administrations.
    - (ii) Arising from ordinary transactions.
    - (iii) Arising from Federative Rights transfer transactions
    - (iv) Arising from transactions carried out with debtors of uncertain financial soundness (doubtful debts).
    - (v) Arising from extraordinary transactions.
  - b) the time of payment of amounts arising from ordinary, extraordinary, financing or refinancing transactions.

ARTICLE 55. THE VALIDATION BODY'S AUTHORITY TO CARRY OUT ADJUSTMENTS IN CONNECTION WITH THE BUDGETS OF CLUBS/SADs THAT ARE PROMOTED OR RELEGATED.

1. In the LaLiga Budgets of Clubs/SADs that are promoted or relegated, the Validation Body shall have the express authority to adapt certain provisions of these Standards, with the due motivation and arguments, and taking into account both the information provided by the Clubs/SADs, as well as that obtained from other Clubs/SADs that submit similar financial, geographic, demographic, sporting, historical ratios etc.
2. This authority held by the Validation Body may affect, among other areas, Budget Items, and express mention is made, due to its importance, of the adaptation of the provisions related to or referring to the Net Turnover and Equity to be taken into account for certain ratios, as well as the percentage of variables to be used to which Article 94 of these Regulations refers.



ARTICLE 56. ADJUSTMENT OF THE PROPORTIONALITY BETWEEN THE REGISTRABLE SQUAD COST AND THE NON-REGISTRABLE SQUAD COST.

1. The Validation Body may adjust the proportionality of the Registrable Squad Cost and Non-registrable Squad Cost with reasonable criteria, in the cases of promotion or relegation of the team reliant on the top Division and in cases of promotion and relegation of Division of the Club/SAD's squad or squads whose members must register in LaLiga in accordance with these Regulations and other applicable provisions.
2. Apart from the assumptions referred to in the previous section, the proportion of the Non-registrable Sports Squad of the Clubs/SADs that have budgeted –with the approval of the Validation Body– a Net Turnover for Season T more than TEN PER CENT (10%) of the Net Turnover reached in Season T-1 can be adjusted downwards. In no case may the Non-registrable Squad Cost budgeted for Season T be less than the actual cost of Season T-1.
3. The proportion of the Non-Registrable Squad may also be adjusted downwards – with a maximum of 10% of its initial Non-Registrable Squad Cost Limit – where the Club proves a reduction in Non-Registrable Squad Cost planned for T compared to T-1. The Club must submit the Standardised Reporting Form MN23 for this, including individual and nominal details for each player and Trainer and verified by an auditor on the same terms as for the Registrable Squad. This reduction must be maintained throughout Season T.

ARTICLE 57. ADJUSTMENT OF THE ACCEPTED LALIGA BUDGETS IN CASE OF NEW INFORMATION.

1. The Validation Body may at any time modify LaLiga Budgets that have already been accepted, as long as there is reliable evidence of new information that influences the same.
2. This new information may refer to facts or circumstances that are not known or the checking of errors or untruths in the information provided or calculations made by the Clubs/SADs.
3. The Validation Body may amend the Squad Cost Limit granted to a Club/SAD, as well as the amount of said Limit used by it when, from analysis of the circumstances and information available on an operation as a whole, the contractual conditions or the declarations of those affected by the operation, it can be concluded that the legal business formally submitted by the Club/SAD is different to that which actually exists.

ARTICLE 58. NOTIFICATION OF ADJUSTMENTS DECIDED ON BY THE VALIDATION BODY.

1. The Validation Body will notify the Club/SAD of the acceptance of the LaLiga Budgets with the adjustments it has decided to apply to the LaLiga Budgets submitted, including a breakdown on the Budget Items adjusted and the reason for the adjustment.
2. Acceptance of the LaLiga Budget with the adjustments decided on by the Validation Body will be notified to the Club/SAD within ten (10) days of the date on which the Club/SAD provided the information, justification or additional documentation required by the Validation Body.

*Section Three*

*Allocation of Limits on Squad Costs*

ARTICLE 59. ALLOCATION OF LIMITS ON SQUAD COSTS AND PROPORTIONALITY.

1. Once the LaLiga Budgets of each Club/SAD have been accepted and validated, the Validation Body will allocate:
  - a) A Limit on the Total Squad Cost.
  - b) A Limit on the Registrable Squad Cost, in absolute figures.

- c) The maximum proportionality that the Registrable Squad Cost can have over the Total Squad Cost.
2. The aforementioned Limit on the Total Squad Cost and the Limit on the Registrable Squad Cost and the proportionality between the two, which are allocated to the Club/SAD by the Validation Body, will be mandatory and Clubs/SADs may not exceed the Limits and corresponding proportion.
  3. The allocation of the aforementioned Limits and Proportion will be set out in the same communication in which the acceptance of the LaLiga Budgets is recorded. When communicating the initial Limit, the Minutes corresponding to its assignment will be attached, but it is not necessary to attach the Minutes corresponding to subsequent updates of the Squad Cost Limit, if necessary, in successive communications.
  4. The Limit of the Squad Cost may be increased in accordance with what is set forth in Title III of these Regulations.
  5. In any case, what is set forth in Article 47.3 shall be taken into account, concerning the assignation of a new Squad Cost Limit if there are any differences in the Negative Results and/or Revenue Generated as a result of the Club/SAD's Annual Audited Accounts compared to those initially taken into account.
  6. The Total Squad Cost Limit assigned by the Validation Body will be adjusted in accordance with the following circumstances, in addition to the applicable reduction, where appropriate, set out in Art. 47TER of these Regulations:
    - a) Fifteen per cent reduction to the Squad Cost Limit in the season immediately following the one in which, according to the resolution of the Validation Body, any of the following situations arose with the Club/SAD:
      - (i) Altering, hiding, falsifying, facilitating or including inaccurate information in the documents required by the Economic Oversight Committee or by the Head of the Economic Oversight Department in order to verify the fulfilment of the obligations of affiliated Sports Corporations or Clubs, as provided by Articles 12 to 18, 20 and 22 to 24 of Book X of the General Regulation, and/or in the documents or information required by the LIGA's Budget Validation Body in accordance with the rules and criteria to draw up the budgets of Sports Corporations or Clubs, as laid down by the Executive Committee, by an amount equal to or greater than 10% of the net turnover of the last audited financial year. .
      - (ii) Failing to pay the debts referred to in Articles 16 to 18 of Book X of the General Regulation of amounts greater than 500,000 euros.
      - (iii) Failure to comply with the break-even point rule, pursuant to the provisions of Article 20 and Annex I of Book X of the General Regulations, or repurchase assets or rights as described in article 31.9.i) that lead to an increase in the Squad Cost Limit in T and/or in previous seasons, by an amount equal to or greater than 5% of the turnover of the last audited year. Regarding the amount of the repurchase of goods and rights, the accumulated repurchase amount materialised in T and/or in previous seasons will be computed.
      - (iv) Failure to comply with the level of Net Debt established as target in the Treasury Plan regulated in Article 93.6 of these Regulations, in such a manner that the amount of Net Debt that materialises measured in absolute value in euros is

10% or more above the amount set as a target in said Treasury Plan.

If the Net Debt target was fixed in the Treasury Plan as an indicator based on other economic-financial variables, the Validation Body will calculate the Net Debt target measured in absolute value in euros based on said indicator in order to quantify the breach, where appropriate.

- b) Five per cent reduction to the Squad Cost Limit in the Season immediately following the one in which, according to the resolution of the Validation Body, any of the following situations arose with the Club/SAD:

- (i) Failure to comply with the break-even point rule, pursuant to the provisions of Article 20 and Annex I of Book X of the General Regulations, or repurchase assets or rights as described in article 31.9.i) that lead to an increase in the Squad Cost Limit in T and/or in previous seasons, by an amount between 1% and 5% of the turnover of the last audited year. Regarding the amount of the repurchase of goods and rights, the accumulated repurchase amount materialised in T and/or in previous seasons will be computed.
- (ii) The Club/SAD's auditor carrying out verification and review processes in an inappropriate manner and/or without applying the quality standards required in the accounting and auditing standards, which implies an alteration or misstatement equal to or greater than 10% of net turnover of the last audited financial year, which implies an excess Squad Cost Limit for the Club/SAD without the corresponding authorisation from LaLiga's Validation Body, in terms of financial control and/or in the preparation of budgets.
- (iii) Failure to comply with the level of Net Debt established as target in the Treasury Plan regulated in Article 93.6 of these Regulations, in such a manner that the amount of Net Debt that materialises measured in absolute value in euros is less than 10% above the amount set as a target in said Treasury Plan.

If the Net Debt target was fixed in the Treasury Plan as an indicator based on other economic-financial variables, the Validation Body will calculate the Net Debt target measured in absolute value in euros based on said indicator in order to quantify the breach, where appropriate.

- c) Reduction by an amount equivalent to the quantitative difference, of the Limit on the Squad Cost, in the season immediately following that in which, according to the resolution of the Validation Body, the Club/SAD incurred a quantitative difference, with respect of the information provided through Standard Reporting Form MN 23 of the rules to prepare the budgets of Sports Corporations or Clubs, as provided by the Executive Committee, and/or through the certificates issued by the secretaries of the boards of directors or governing boards of the Sports Corporations and Clubs referred to in the aforementioned Book, which involve greater expenditure, costs or losses or lower revenue or profits that is revealed when comparing the information submitted by the Club/Sports Corporation and acknowledged by the LIGA's Budget Validation Body or through the procedures set in the rules and criteria to prepare the budgets of Sports Corporations and Clubs, as approved by the Executive Committee.

The reduction will be triple the quantitative difference in cases in Article 56.3 of these Regulations.

- d) Reduction of between 10% and 30% of the amount exceeded, with a maximum limit of 15% of the Total Squad Cost Limit in the season immediately following that in which, according to the resolution of the Validation Body, the Club/SAD incurred an excess of the amount presented in the investment budget, in accordance with

LaLiga's Budgeting Rules, by a percentage equal to or greater than 15% of that authorised by said Regulation.

- e) Reduction of between 3% and 10% of the amount exceeded, with a maximum limit of 5% of the Total Squad Cost Limit in the season immediately following that in which, according to the resolution of the Validation Body, the Club/SAD incurred an excess of the amount presented in the investment budget, in accordance with LaLiga's Budgeting Rules, by a percentage equal to or greater than 5% and less than 15% of that authorised by said Regulation.
- f) Reduction of between 1% and 4% of the Squad Cost Limit in the season immediately following that in which, according to the resolution of the Validation Body, the Club/SAD breached the breakeven rule, in accordance with the provisions of Article 20 and Annex I of Book X of the General Regulation or repurchased assets or rights as described in Article 31.9.i) that led to an increase in the Squad Cost Limit in T and/or in previous seasons, by an amount not exceeding 1% (inclusive) of the net turnover of the last audited financial year. Regarding the amount of the repurchase of goods and rights, the accumulated repurchase amount materialised in T and/or in previous seasons will be computed.

In the cases described in sections "a" to "f" above, the reduction will only be considered applied when it could have an effective impact on the Club/SAD's registration capacity by reducing the available balance of the Squad Cost Limit. It will not therefore be considered as such when their only effect is to imply an increase in the excess on the Squad Cost Limit. In accordance with the above, the reductions in the Squad Cost Limit will remain pending application indefinitely until that season in which they may have an effective impact on the registration capacity of the Club/SAD, in which they will be applied by reducing the Squad Cost Limit.

g. Reduction of the Total Squad Cost Limit, in the five seasons immediately following the one in which, according to the resolution of the Validation Body, the Club/SAD incurred an excess Squad Cost, according to the following rules:

- (i) The amount to be reduced as an excess in the 2022/2023 season and the following four will be the sum of the pre-tax results of the 2019/2020, 2020/2021 and 2021/2022 seasons. Likewise, on a temporary basis for the 2021/2022, 2022/2023 and 2023/2024 seasons, the excess of an amount equivalent to the Registrable Squad Cost employed by the club under the provisions of Article 100 bis will not be computed. As a clarification, the Cost whose effect will be neutralised is exclusively that referred to in section ii) of said article.
- (ii) Of the amount to be reduced, the part corresponding to the impact of COVID-19 will be distributed pursuant to the following subsection (iii), measured as the sum of:
  - a.- The impact based on the auditor's reports referred to in Article 13.1 of Book X of the General Regulations. For the purposes of this article, the impact corresponding to 2021/2022 will be computed at a maximum of 40% of that in the 2020/2021 report, with amendments to the reports corresponding to 2019/2020 or 2020/2021 submitted before the date this article was approved not permitted.
  - b.- The impact on results for transfers, measured as the difference compared to the average of the 2017/2018, 2018/2019 and 2019/2020 seasons.

The amount to be reduced for the excess – above the impact of COVID-19 measured as established in this subsection (ii) – will be reduced in full in the season

following the excess.

- (iii) The reduction due to COVID-19 will be distributed between seasons T to T+4 at a rate of 15%, 20%, 20%, 22.5% and 22.5%.
- (iv) From the 2023/2024 Season, applying Article 44, the losses (or deficit of resources) of T-1 will be reduced in any event, in addition to the percentage that corresponds to this section g).
- (v) The part of the audited Positive Results of Season T-1 or earlier, which exceeds the adjustment applied by this section g) in that same Season, may be used to offset the corresponding reduction, if any, in Season T.
- (vi) In the event that the Squad Cost Limit that would result from the rules in this section g) for Season T exceeds the amount of the Squad Cost Limit for the 2019/2020 Season, the reduction of the percentages corresponding to the following seasons will be brought forwards, in chronological order, until reaching the reference Limit of 2019/2020. In the event of a change of division, the reference Limit will be taken from the most recent season prior to 2019/2020 in which the Club/SADs played in the same division as in Season T.
- (vii) In any event, under the provisions of Articles 16 and 48, the Validation Body may make the corresponding adjustment in the Squad Cost Limit that results from applying the rules of this section g), so that the LaLiga Treasury Budget is balanced. The Budget is considered balanced when there is a positive balance in the Club/SAD's Treasury at the start and end of each monthly period of Season T.

For these purposes, the Validation Body will only accept and validate financing and refinancing budgeted by the Club/SAD in accordance with criteria of prudence – which will be more restrictive according to the economic-financial context at any given time – such as the history and evolution of the Club/SAD in obtaining refinancing and financing in the Three Seasons prior to Season T, the amount of it and the guarantees that would have been granted, as well as the evolution of their solvency ratios.

#### ARTICLE 59 BIS. SPECIFICS IN THE CALCULATION OF THE SQUAD COST LIMIT FOR CLUBS/SADs RELEGATED FROM THE FIRST TO THE SECOND DIVISION.

1.- To calculate the Squad Cost Limit for Clubs/SADs relegated from the first to the second division, the rules contained in this article will be applied in relation to the treatment of the aid for relegation.

2.- In any case, if the application of the other rules and regulations results in a Squad Cost Limit lower than that calculated in accordance with the provisions of the following sections, the lower Limit of all those that can be obtained will be assigned.

3.- The amount of the aid for relegation will be computed as revenue – for the purposes of calculating the Squad Cost Limit corresponding to Season T – at FIFTY PER CENT (50%) of the total amount of the aid. The remaining FIFTY PER CENT (50%) will be in the following season, unless the club returns to the First Division, in which case no revenue will be computed in that season, and the remaining 50% being definitively lost for the purpose of calculating the Squad Cost Limit.

4.- For this, it will be necessary for the Validation Body to expressly and previously authorise,

for Season T and the following, the total amount that can be computed as revenue for the purpose of calculating the Squad Cost Limit, pursuant to the provisions of this article and without prejudice to the Validation Body being able to apply, in each Season, adjustments arising from the analysis of the LaLiga Treasury Budget, as provided in Article 48.3 of these Standards.

*Section Four.*

*Adjustments to the Squad Cost Limit based on the Net Profits actually obtained in the Transfer of Federative Rights at the conclusion of the summer registration period of Season T.*

ARTICLE 59 TER ADJUSTMENTS TO THE SQUAD COST LIMIT BASED ON THE NET PROFITS ACTUALLY OBTAINED IN THE TRANSFER OF FEDERATIVE RIGHTS AT THE CONCLUSION OF THE SUMMER REGISTRATION PERIOD OF SEASON T.

1. The valuation rule of Sub-item 9.1 of the LaLiga Revenues and Expenses Budget provides that, in no case, may its amount exceed TWENTY-FIVE PER CENT (25%) – or TEN PER CENT (10%) in the case of Second Division Clubs/SADs – of the budgeted and validated Net Turnover for Season T.
2. However, should the amount of this budgetary Sub-item, calculated in accordance with the valuation criteria in sections 1 to 6 (of the stated valuation rule of Sub-item 9.1), exceed the limit established in the previous section, to the extent that the Club/SAD accredits the effective Net Gains from Transfer of Players' Federative Rights transactions with the Validation Body (which will include the amounts received under "termination clauses" of employment contracts with the Players) during Season T, said amounts will increase the amount of this Budget Item, with the consequent possible Increase in the Squad Cost Limit assigned to the Club/SAD by the Validation Body for Season T.
3. The rule in section 2 above will be applied until the amount of the validated Budget Item resulting from the application of that contained in sections 1 to 7 of Sub-item 9.1 is reached. Once this amount has been reached, and due to the additional net gains from these transactions, the provisions of Article 61 of the Standards for the Preparation of the Budgets of Clubs and SADs would be applied where appropriate.

ARTICLE 59 QUATER. ADJUSTMENTS TO THE SQUAD COST LIMIT OF SECOND DIVISION CLUBS AND SADs BASED ON THE NET BENEFITS OBTAINED FROM THE TRANSFER OF FEDERATIVE RIGHTS OF PLAYERS AT THE CLOSE OF THE SUMMER REGISTRATION PERIOD.

1. The provisions of this article shall apply exclusively to Second Division Clubs/SADs and contemplates the two cases set forth in sections 2 and 3.
2. First Assumption. In the event that, at the end of the Summer Player Registration Period, the amount of Net Gains from Federative Rights Transfers had not been fully realised (Items 9.1 and 9.2. of the DESCRIPTION OF BUDGET ITEMS AND VALUATION CRITERIA AND RULES ANNEX of the LaLiga Revenues and Expenditure Budget) budgeted in the LaLiga Revenues and Expenditure Budget and accepted by the Validation Body for Season T, the aforementioned amount budgeted in the LaLiga Budget must be adjusted, reducing its figure to that actually realised at the conclusion of the aforementioned Registration Period plus TWENTY PER CENT (20%) of the amount budgeted for Season T, with the limit in any case being the latter.
3. Second Assumption: The Club/SAD has realised Transfers of Players' Federative Rights in

the Summer Player Registration Period, representing Net Gains of at least EIGHTY PER CENT (80%) of the amount budgeted and validated in the LaLiga Revenues and Expenditure Budget as the amount of this item that will be adjusted for Season T will be set in accordance with the following rules.

- (i) By the sum of the total Net Gains from Player Transfers effectively realised in the referenced summer market, increased to FIFTY PER CENT (50%) of the average Net Gains for the same concept made in the last THREE (3) Seasons from the end of the each summer market closure and computing only the seasons in which the Club/SAD has played in the Second Division.
  - (ii) At least TWO (2) Seasons will be needed to calculate this average, otherwise those specified in the previous paragraph will not apply.
  - (iii) The unrealised amount of the Budgeted Net Gains for the Transfer of Players' Federative Rights may not exceed FIVE PER CENT (5%) of the budgeted and validated Net Turnover for Season T, in which case the Gains budgetary item will be adjusted so that this percentage is not exceeded.
- 4. Should the two cases contemplated in sections 2 and 3 concur simultaneously, the Club/SAD can choose to use the one it deems most appropriate.
  - 5. Should any of the assumptions referred to in the previous sections occur, the Validation Body will adjust the Squad Cost Limit assigned to the Club/SAD for Season T.

### TITLE III

#### INCREASE TO THE LIMIT ON SQUAD COSTS INTRODUCTION. COMMON RULES

##### ARTICLE 60. INTRODUCTION AND COMMON RULES.

- 1. Once the LaLiga Budgets of each Club/SAD have been accepted by the Validation Body and the Limit on the Registrable Squad Cost and the Limit on the Total Squad Cost for a given Season have been allocated, the Validation Body may authorise an increase or temporary excess to such Limits in the situations, under the conditions and following the procedure laid down in Title III.
- 2. The exceptional situations that could justify an increase or temporary excess to the Limit on the Registrable Squad Cost are as follows:
  - a) Increase in the Club/SAD's revenues or profits, arising from certain operations.
  - b) Contractual renewal of Players or the termination of employment contracts with members of the coaching staff.
  - c) The case of an extended injury of a Player.
  - d) Clubs/SADs which accrue the right to perceive Aid on Relegation which LaLiga applies



at any given time.

- e) Clubs/SADs which play in Second Division A and meet certain conditions related to profits and revenue generated.
- 3. The Total Squad Cost may also be increased because of Contributions made by Shareholders and Related Parties or third parties on behalf of the Club/SAD, which are Computable in accordance with the provisions of Chapter Four of this Title.
- 4. Any increase in the Squad Cost Limit that may be authorized by the Validation Body in accordance with what is set forth in this Title III shall not in any case justify non-fulfilment by the Club/SAD of the Break-even point regulated in Book X of LaLiga regulations.
- 5. The Validation Body, by request of the Club/SAD, may increase the Squad Cost Limit in case of Contributions, if the increase for this concept in the previous Season Limit has not been totally exhausted by the Club/SAD.

These increases can only be authorised in the following conditions:

- a) To be used as a maximum in the Season for which the new increase is requested and in the season immediately following.
- b) With a maximum limit of Five (5) per cent of the Squad Cost Limit accepted by the Validation Body.
- 6. The Validation Body may also exceptionally authorise an increase in the Squad Cost Limit if a registered Player has been penalised by a non-firm administrative resolution for over eighteen [18] months or definitively, as a consequence of an infraction in doping in accordance with Organic Law 3/2013, dated 20 June, concerning the protection of athletes' health and the struggle against doping in sport.

The following rules shall be applied to these cases:

- a) In order to calculate the increase, the rules established in Section Two Chapter Two of this Title shall be applied *mutatis mutandis* for cases of long-term injury of a Player.
- b) The increase authorised, if any, for this case, shall necessarily be complemented in its entirety in the following Season, therefore reducing the Registrable Squad Cost Limit.
- c) Under no circumstances may the Validation Body authorise an increase if a Player has been given a firm suspension or if the Club/SAD has been involved in or has been responsible for the doping of a Player.
- d) The Validation Body shall assess the current circumstances, the image of professional football, risks of any kind and jurisprudential guidance in doping in sport in order to adopt the corresponding decision.
- 7. Increases to the Total Squad Cost Limit, referred to in this Title III, cannot be authorised by the Validation Body in the two immediately subsequent player registration periods if, in the immediately preceding season and over the course of three years, for cases a) and b), or two years, for cases c) and d), the Club/SAD had undertaken any of the following more than once:
  - a) Infringing the resolutions adopted by the Economic Oversight Committee or by the Budget Validation Body of the LIGA, in matters of financial control or preparing the budgets.
  - b) Impeding or hindering the supervision of any annual or partial audits that may be ordered by the Economic Oversight Committee, by the Head of the Economic

- Oversight Department or by the Budget Validation Body of the LIGA.
- c) Infringing the recommendations and instructions of the Head of the Financial Control Department of the Financial Control Committee or the Budget Validation Body of the LIGA Budgets, in matters of financial control or preparing the budgets.
  - d) Failing to submit within the time limit stipulated the documents required by the Economic Oversight Committee or by the Head of the Economic Oversight Department in order to verify the fulfilment of the obligations of Sports Corporations or Clubs, as provided by Articles 12 to 18, 20 and 22 to 24 of Book X of the General Regulation, or the documents or information required by the LIGA's Budget Validation Body, in matters of financial control or documents or information required by the LIGA's Budget Validation Body, in matters of preparing the budgets.
8. The Validation Body may agree to authorise an Increase to the Squad Cost Limit for compliance by the Club/SAD with specific conditions and limitations, rules and obligations of an economic and financial nature or supervision, control, verification or information measures.
  9. In any case, to authorise the increase, an essential requirement is providing all the information, documentation and explanations that the Validation Body requires from the Club/SAD, in addition to that specifically established in this Title related to the exceptional case on which the basis for the requested increase stands.
  10. The rules of Article 31.9 of these Regulations will be applied in any case.

## CHAPTER ONE

### INCREASES TO THE LIMIT ON REGISTRABLE SQUAD COSTS AS A RESULT OF INCREASED REVENUES AND/OR PROFITS

#### *Section One*

##### *Situation involving the Transfer of the Federative Rights of Players on the Squad*

#### ARTICLE. 61. SITUATION SETUP AND RULES FOR CALCULATING THE INCREASE TO THE LIMIT ON REGISTRABLE SQUAD COSTS.

1. If a Club/SAD signs a firm contract to Transfer the Federative Rights of a Player on its own Squad, which, in accordance with the price and terms and conditions agreed on, creates a positive accounting result (according to the definition of account 776 of the Budget Items Description Annex) in the same Season, the Limit on the Registrable Squad Cost for that Season may be increased by an amount to be calculated in accordance with the following rules:

- a) The positive result from the Transfer of the Federative Player Rights (Profit from Player transfers) generated by the new contract will be added to the net profit (the sum of the positive and negative results) already actually received in the Season concerned as a result of previous Transfers of Federative Player Rights and the perception of the so-called rescission clauses for professional athletes' work contracts.
- b) The result of the above sum will be subtracted from the total accounting profit or loss referred to in the Club/SAD's LaLiga Budget from the Transfer of Federative Player Rights validated by the Validation Body.
- c) The limit on the Registrable Squad Cost may be increased by the amount resulting

from the aforementioned difference (provided it is positive), at the free choice of the club, entirely in Season T or with the time distribution given in section 3 of this article, by a proportion equal to that represented by the Registrable Squad Cost over the total Squad Cost for the same season.

2. The following formula will be employed in this calculation:

$tj$ = Positive accounting results from Player transfers generated by new contracts.

$tjr$ = Positive net accounting results from transfers of Players' Federative Rights already previously performed and the perception of the so-called rescission clauses for professional athletes' work contracts.

$tjp$ = Positive accounting results from Player transfers covered on the LaLiga Budget accepted by the Validation Body

$cpi$ = Registrable Squad Cost.

$cpt$ = Total Squad Cost

$il$ = Increase to the Registrable Squad Cost Limit, to be distributed among several seasons as stated in section 3.

$$il = \frac{cpi}{cpt} \cdot [(tj + tjr) - tjp]$$

3.- The amount resulting from the formula in the previous section will increase the Squad Cost Limit of the Club/SAD that obtained the positive net results from the transfer of players corresponding to Season T in which said results are obtained – at the free choice of the club – in full in said Season T or SIXTY PER CENT (60%) of said amount in T and the remaining FORTY PER CENT (40%) in the following season.

In any case, it will be necessary for the Validation Body to expressly and previously authorise, in the Season in which the results are obtained and in the following, the total amount that may be computed to increase the Squad Cost Limit, pursuant to the provisions of this article and without prejudice to the Validation Body being able to apply, in each Season, adjustments arising from the analysis of the LaLiga Treasury Budget, as provided in Article 48.3 of these Standards.

#### ARTICLE 62. CALCULATION OF THE INCREASE.

In the case that the contract for the Transfer of Federative Player Rights submitted was signed before or on 30th June Season T-1 and the result of which has not been taken into account on the LaLiga Revenues and Expenditure Budget submitted, the positive accounting result that has been generated by the transaction covered by said contract will be computed for the calculation of the average of such concept from the last three Seasons that have been used for determining the LaLiga Revenues and Expenditure Budget and, as a result, the Limit on the Registrable Squad Cost will be increased by the same amount as the increase that this average has undergone.

ARTICLE 63. INFORMATION TO BE CERTIFIED BY THE CLUB/SAD.

1. In order to determine the cumulative positive accounting result generated by the Transfer of Federative Player Rights from 1st February Season T-1 until the date of issue, the Club/SAD shall provide the Validation Body with a certificate or equivalent issued by the authorised representative of the Club/SAD, according to Standard Reporting Form MN 12, which expressly records the following points, (distinguishing between those occurring until 30th June T-1 and those occurring after the date of issue in Season T):
  - a) the positive accounting results obtained from the date stated until the certificate is issued for the aforementioned Transfers of Federative Player Rights.
  - b) the accounting losses incurred from Transfers of Federative Player Rights
  - c) the accounting losses incurred from any other related concept or the result of employment contracts with Players or with the clubs they come from or to which they have been transferred.
2. A copy of all the contractual documents referring to the Transfer of Federative Rights, attested with the signature of the authorised representative of the Club/SAD, will accompany the aforementioned certification.

*Section Two*

*Situation involving a new contract that generates positive accounting results from the sale of fixed assets other than Rights on Players or exceptional rights.*

ARTICLE 64. SITUATION SETUP AND RULES FOR CALCULATING THE INCREASE TO THE LIMIT ON REGISTRABLE SQUAD COSTS.

1. As a general rule and notwithstanding the rules in Article 31.9, if a Club/SAD signs a new firm contract for the sale of assets other than Federative Rights which creates a positive accounting result in Season T from the price and terms and conditions agreed on, and provided that it generates financial resources, the Limit on the Registrable Squad Cost for Season T may be increased by an amount to be calculated in accordance with the following rules:
  - a) The positive accounting result generated by the new contract will be added to the accounting results of the same nature that have already been posted and actually obtained in Season T.
  - b) The result of paragraph a) will be subtracted from the total accounting profit generated by the sale of assets other than Federative Rights covered in the Club/SAD's LaLiga Revenues and Expenditure Budget and that has been validated by the Validation Body.
  - c) The limit on the Registrable Squad Cost may be increased by the amount resulting from the previous difference, provided it is positive, by a proportion equal to that represented by the Registrable Squad Cost over the total Squad Cost for the same Season and, where appropriate, reduced by an amount equal to the amount of the replacement investment of the asset made.
2. The following formula will be applied:

rx= Positive accounting results.

rxr= Accounting results already posted previously.

rxp= Expected accounting results on the LaLiga Budget validated by the Validation Body.

cpi= Registrable Squad Cost. cpt= Total Squad Cost.

iis= Amount of the replacement investment.

il= Increase to the Limit on the Registrable Squad Cost

$$il = \left[ \frac{cpi}{cpt} \cdot [(rx + rxr) - rxp] \right] - iis$$

#### ARTICLE 65. INFORMATION TO BE CERTIFIED BY THE CLUB/SAD.

In order to determine the cumulative positive accounting result as a result of transactions of the nature covered in this Section from the start of period T to the date of issue, the Club/SAD shall provide a certificate from the authorised representative of the Club/SAD, according to Standard Reporting Form MN 13, which expressly records the following points:

- a) the extraordinary profits obtained during Season T to the issue of the Certificate,
- b) as well as the description, justification and estimate of the amount of the replacement investment to be made.

In the latter case, the Validation Body will assess the need and size of a hypothetical Replacement Investment.

#### *Section Three*


#### *Situation involving a contract agreeing a price increase for the Cession of television broadcasting rights*

#### ARTICLE 66. SETUP OF A SITUATION INVOLVING A CONTRACT AGREEING A PRICE INCREASE FOR THE CESSION OF TELEVISION BROADCASTING RIGHTS AND RULES FOR CALCULATING THE INCREASE TO THE LIMIT ON THE REGISTRABLE SQUAD COST.

As a general rule, and notwithstanding the rules in Article 31.9, if a Club/SAD enters into a contract whereby a price increase for the Cession of television broadcasting rights is agreed (Account 707 Description of Budget Items Annex) in relation to the price referred to in the Validated LaLiga Revenues and Expenditure Budget for Season T, the limit on the Registrable Squad Cost may increase by an amount that is equal to the part of the increase resulting from applying the same proportion represented by the Registrable Squad Cost over the Total Squad Cost for the same Season.

#### ARTICLE 67. INFORMATION TO BE CERTIFIED BY THE CLUB/SAD.

For the purposes of determining the increase in the amount to be received from the aforementioned contract, the Club/SAD shall provide a certificate issued by an authorised representative of the Club/SAD, according to Standard Reporting Form MN 14, which includes all the information on the new contract and has a copy thereof attached, attested with the signature of the Authorised Representative, as well as the calculations made by the Club/SAD



for such determination.

#### *Section Four*

##### *Situation involving a new marketing agreement for other rights or assets of the Club/SAD*

ARTICLE 68. SETUP OF A SITUATION INVOLVING A NEW MARKETING AGREEMENT FOR OTHER RIGHTS OR ASSETS OF THE CLUB/SAD AND RULES FOR CALCULATING THE INCREASE TO THE LIMIT ON THE REGISTRABLE SQUAD COST.

As a general rule, and notwithstanding the rules in Article 31.9, if a Club/SAD enters into a Marketing agreement for other rights and assets (according to the definition as Account 706 of the Description of Budget Items Annex), which includes an increase in the amounts to be received with respect to the same marketing referred to in the Validated LaLiga Revenues and Expenditure Budget for Season T, the Limit on the Registrable Squad Cost may increase by an amount that is equal to the part of the increase resulting from applying the same proportion represented by the Registrable Squad Cost over the Total Squad Cost for the same Season allocated by the Validation Body.

ARTICLE 69. INFORMATION TO BE CERTIFIED BY THE CLUB/SAD.

For the purposes of determining the increase in the amount of the price to be received from the aforementioned marketing agreement, the Club/SAD shall provide a certificate from an Authorised Representative, according to Standard Reporting Form MN 15, which includes all the information on the new agreement and has a copy thereof attached, attested with the signature of the Authorised Representative, as well as the calculations made by the Club/SAD for such determination.

#### *Section Five*

##### *Situation involving an increase in revenues from season tickets and memberships.*

ARTICLE 70. SETUP OF A SITUATION INVOLVING AN INCREASE IN REVENUES FROM SEASON TICKETS AND MEMBERSHIPS AND RULES FOR CALCULATING THE INCREASE TO THE LIMIT ON THE REGISTRABLE SQUAD COST.

As a general rule, and notwithstanding the rules in Article 31.9, if, in Season T, a Club/SAD obtains an amount from subscriber and membership card revenues (according to Account 710/711 of the Description of Budget Items Annex) above the amount budgeted, the Limit on the Registrable Squad Cost may be increased by an amount which is equal to the part of the increase resulting from applying the same proportion represented by the Registrable Squad Cost over the Total Squad Cost for the same Season.

ARTICLE 71. INFORMATION TO BE CERTIFIED BY THE CLUB/SAD.

For the purposes of determining the amount of the increase in income from the concept referred to in the preceding Article, the Club/SAD shall provide a certificate issued by an Authorised Representative, according to Standard Reporting Form MN 16.

## CHAPTER TWO

### TEMPORARY EXCESS TO THE LIMIT ON THE REGISTRABLE SQUAD COST AS A RESULT OF CONTRACTUAL CHANGES WITH PLAYERS AND THE COACHING STAFF AND EXTENDED PLAYER INJURY

ARTICLE 72. EXCEPTIONAL SITUATIONS AUTHORISING TEMPORARILY EXCEEDING THE LIMIT ON THE REGISTRABLE SQUAD COST.

1. Exceptionally, a Club/SAD may be authorised to temporarily exceed the Limit on the Registrable Squad Cost for a given Season allocated by the Validation Body, in the following cases:
  - a) Renewal of a Player's employment contract.
  - b) Termination of the employment contracts of all or some of the members of the Coaching Staff.
  - c) The case of an extended injury of a Player.
2. These temporary excesses to the Limit on the Registrable Squad Cost will have quantitative limitations, compensations and absorptions for each of the situations provided for in this Chapter.
3. The conditions and requirements must in any case be complied with and the exceptions that are established in the following Sections of this Chapter will be applied.

#### *Section One*

*Situations concerning the contractual renewal of Players or termination of the contracts of members of the Coaching Staff.*

ARTICLE 73. SETUP OF A SITUATION INVOLVING THE CONTRACTUAL RENEWAL OF PLAYERS AND THE PERMISSIBLE TEMPORARY EXCESS.



The Limit on the Registrable Squad Cost for Season T may be temporarily exceeded in the case that, once the summer market has concluded, a contract renewal occurs with an extension of the duration of the employment contract for a particular Player, the cost of which prior to the renewal was already included in the Registrable Squad Cost accepted by the Validation Body, by an amount equal to the amount (following the limitation laid down below in Article 75) by which the Cost of such Player increases, provided that the three following conditions are met:

- a) The duration of the contract in force with the Player in question before the renewal does not exceed 30 June of Season T+2.
- b) A significant increase in the sports economic value of the Federative Rights of the Player, which was not predictable, occurred and continues as of the date of the request, and
- c) In the opinion of the Validation Body, the need from the sports and/or financial point of view to carry out such contractual renewal in order to maintain the asset represented by the Federative Rights of the Player in question for the Club/SAD is well known.

#### ARTICLE 74. SETUP OF A SITUATION INVOLVING THE TERMINATION OF CONTRACTS WITH MEMBERS OF THE COACHING STAFF AND THE PERMISSIBLE TEMPORARY EXCESS.

1. In the case of contractual termination with some or all of the professionals making up the Coaching Staff of a Club/SAD that entails the recognition of financial obligations in addition to those already covered by the Club/SAD on the LaLiga Budget arising from such termination, the limit on the Registrable Squad Cost may be temporarily exceeded by the same amount as such additional financial obligations total and, where applicable, the higher Cost of the new trainers, in all cases following the limitation laid down below in Article 75.
2. For the purposes of this Article, the Coaching Staff of a Club/SAD is considered to include the Head Coach, Assistant Coach and Fitness Trainer, always for the team in LaLiga.

#### ARTICLE 75. MAXIMUM QUANTITATIVE LIMIT ON THE TEMPORARY EXCESS TO THE LIMIT ON THE REGISTRABLE SQUAD COST. EXCEPTIONS.

1. The temporary excess to the Limit on the Registrable Squad Cost due to the concurrence of any of the situations provided for in this Section may in no case exceed FOUR PER CENT (4%) of the Limit on the Registrable Squad Cost previously allocated by the Validation Body and amended by the proportion of the duration of the period covered from the time of the effective start of accrual of the new remuneration arising from the situations provided for in this chapter (with the specificity laid down below) and the end of the Season in question over the period of full duration of the Season (12 months).

*[By way of example: If the renewal of the Player and the start of their new remuneration occurs with effect from 31 December, then the excess may not exceed 2% of the limit set by the Validation Body, since the proportion is 50% of the duration of both periods].*

2. The amounts of the increase to the Limit on the Registrable Squad Cost arising from the situations provided for in this Section will be cumulative for the purposes of compliance with the aforementioned limit of FOUR PER CENT, so that the sum of corresponding successive temporary excesses may not exceed the limit stated.
3. The amount of the temporary excess to the Limit on the Registrable Squad Cost authorised to the Club/SAD in accordance with the provisions of this Section may only be used to cover the cost corresponding to the specific situation – the contractual renewal of a Player or termination of contracts with the Coaching Staff – that has been the basis of the

temporary excess authorised.

4. For the purposes of determining the periods to which paragraph 1 above refers, when the effective date of the start of accrual of the increased remuneration from the new Player contract or that of the remuneration of the new Coaching Staff has occurred between 15th November and the end of the winter period for registering Players, both inclusive, it will in any case be considered that such effective date is that of the day immediately following the conclusion of the aforementioned period.
5. The Club/SAD will have the Limit on the Registrable Squad Cost for Season T+1 reduced by the same amount by which there was an excess to the Limit on the Registrable Squad Cost of Season T in the event of this article 75.

#### ARTICLE 76. COMPENSATION FOR THE TEMPORARY EXCESSES AUTHORISED. REDUCTION TO THE LIMIT ON THE SQUAD COST FOR SEASON T+1.

1. The compensation provided for in Article 78 will be applied to the temporary excesses authorised by the Validation Body in the situations regulated by this Section.
2. The Club/SAD shall submit, prior to the authorisation of the temporary excess by the Validation Body, a Certificate issued by the Authorised Representative accepting said reduction and committing to apply it in Season T+1. Standard Reporting Form MN 17.

### *Section Two*

#### *The case of an extended injury of a player*

#### ARTICLE 77. THE CASE OF AN EXTENDED INJURY OF A PLAYER

1. The Limit on the Registrable Squad Cost may be exceeded in Season T by the same sum as totals the Cost of the new Player that is effectively contracted by the Club/SAD and whose registration is requested within 20 days from the date of the injury of the Registered Sports Squad player to be replaced:
  - a) who has suffered an injury and, as a result, a period of incapacity of equal to or greater than FIVE (5) months from when it occurred is expected, and
  - b) who is disenrolled from LaLiga.with the following limits on said cost:
  - a) If the Club/SAD plays in Second Division A: The limit shall in any case be EIGHTY (80) PER CENT of the Cost of the injured Player, excluding the amortisation of their Federative Rights. and
  - b) If the Club/SAD plays in First Division, the limit of the Cost increase shall in any case be the lesser of:
    - (i) (i) EIGHTY (80) PER CENT of the cost of the Injured Player
    - (ii) (ii) TWO (2) PER CENT of the Registrable Squad Cost Limit assigned by the LaLiga Validation Body.

Whatever division the Club/SAD is playing in, in all cases the above limits shall take into account the corresponding proportion resulting from the time in the Season in which the new signing occurs in relation to the total duration of the Season.

2. The Player's injury and its expected duration must be accredited by a medical certificate.
3. The injured Player, without prejudice to the provisions of the relevant Competition standards, may not be re-enrolled in LaLiga until the Club/SAD presents the Available Balance in the Limit on the Registrable Squad Cost, sufficient to cover the Cost of the Player.
4. The Club/SAD must have an insurance policy that covers the risk of the injured Player being affected by a permanent disability respecting their profession as a professional sportsperson with a sum insured for an amount equal to or greater than the amount of the authorised excess to the Limit on the Registrable Squad Cost, as a minimum.
5. The Club/SAD will have the Limit on the Registrable Squad Cost for Season T+1 reduced by the same amount by which there was an excess to the Limit on the Registrable Squad Cost for Season T for this situation involving an extended injury.
6. The Club/SAD shall submit, prior to the authorisation of the Increase by the Validation Body, a certificate issued by the authorised representative of the Club/SAD accepting said reduction and committing to apply it in the Season following T+1, in accordance with Standard Reporting Form MN 18.

### *Section Three*

#### *Adjustments subsequent to the approval of Increases to the Limit on the Registrable Squad Cost regulated in Sections One and Two of this Chapter*

ARTICLE 78. ADJUSTMENTS SUBSEQUENT TO THE APPROVAL OF INCREASES TO THE REGISTRABLE SQUAD COST REGULATED IN SECTIONS ONE AND TWO OF THIS CHAPTER. COMPENSATION.

1. Increases to the Limit on Squad Costs arising from possible revenue increases or reductions in expenditure, justified by the Club/SAD after authorisation by the Validation Body of a temporary excess based on one or more of the situations covered in this Chapter, will be used, in the first place, to offset the aforementioned temporary excess
2. Consequently, subsequent revenue increases, with respect to those that had been taken into account for setting the Limit on the Squad Cost in force, and reductions to the Registrable Squad Costs of Clubs/SADs that had been authorised Increases to the Limit on Squad Costs by the Validation Body in accordance with the provisions of Sections One and Two of this Chapter, will in the first place be applied to offset said Increase authorised by the Validation Body, so that new Increases to the Limit on Registrable Squad Costs may not be requested until total compensation has occurred.
3. To the extent that the excess to the Limit on the Registrable Squad Cost is reduced, the Club/SAD's commitment in terms of their deduction to the Limit on the Registrable Squad Cost for Season T+1 will be adjusted, which will be communicated by the Validation Body in a timely manner.
4. In the event that, despite the compensation made pursuant to point 1 above, at the end of Season T the Club/SAD still has an excess for the Limit on the Squad Cost arising from the Validation Body's authorisations due to any of the situations covered in this Chapter, the Limit on the Registrable Squad Cost for Season T+1 will be reduced by an amount

equal to the amount that had not been compensated or absorbed during Season T. The reduction will only be considered applied when it can have an effective impact in the registration capacity of the Club/SAD by reducing the available balance of the Squad Cost Limit. It will not therefore be considered as such when their only effect is to imply an increase in the excess on the Squad Cost Limit. In accordance with the above, the reductions in the Squad Cost Limit will remain pending application indefinitely until that season in which they may have an effective impact on the registration capacity of the Club/SAD, in which they will be applied by reducing the Squad Cost Limit.

5. According to the provisions of this Article, once the Club/SAD has compensated the authorised excess and, therefore, has the Available Balance in the Limit on the Registrable Squad Cost available, it may proceed on to new signings, while naturally complying with all other applicable regulations.

### CHAPTER THREE

#### APPLICATION PROCEDURE FOR INCREASE AND/OR TEMPORARY EXCESS TO THE LIMIT ON THE REGISTRABLE SQUAD COST IN THE SITUATIONS PROVIDED FOR IN CHAPTERS ONE AND TWO. VERIFICATION AND CHECKS

##### ARTICLE 79. APPLICATION FOR INCREASE AND/OR TEMPORARY EXCESS TO THE REGISTRABLE SQUAD COST.

1. In the case of a Club/SAD seeking to obtain an Increase and/or temporary excess to the Limit on the Registrable Squad Cost, in accordance with the provisions of Chapters One and Two of Title III, they must submit the corresponding application in writing to the Validation Body, in accordance with Standard Reporting Form MN 19.1 and MN 19.2, respectively.
2. The Club/SAD must submit the following documents together with said application:
  - a) Certifications issued by the Authorised Representative and any others as appropriate in accordance with the corresponding case for increase or temporary excess.
  - b) Any other documents arising from each of the situations provided for: medical certificate etc.
  - c) Certification of the Club/SAD's commitment, covered in Articles 76.2 and 77.6
3. In the event that an Increase to the Limit on the Registrable Squad Cost is requested based on any of the situations described in Chapter One (profit and/or revenue increase) and after the end of the summer Player registration period, Economic and Financial Information will also be included, consisting of estimates on:
  - a) Profit and Loss Account
  - b) Cash Flow Statement.
  - c) Investments and Divestments Statement.

This Economic and Financial Information will correspond to the Season in which authorisation is requested to increase the Limit on the Registrable Squad Cost, Estimated as of the end of such.

This documentation will be prepared in accordance with these Standards for the

preparation of LaLiga Budgets; in no case will any accounting result or revenue be included, calculated or accepted that has not been effectively realised or that is not supported by the corresponding firm contract.

#### ARTICLE 80. VERIFICATION AND CHECKS.

The Validation Body, in accordance with its responsibilities and powers in connection with applications for authorisation of Increases to Limits on Registrable Squad Costs that are made under the provisions of Chapters One and Two of Title III, may:

- a) Request any verification of and checks on the information submitted by the Club/SAD that it deems appropriate.
- b) Require additional information and documentation.
- c) Make the adjustments that it deems appropriate and duly substantiated following the criteria of reasonableness, particularly as respects non-sports expenditure by virtue of real data from previous seasons and possible exceptional expenditure that may be incurred by the Club/SAD requesting the increase to the Limit on the Squad Cost.

### CHAPTER FOUR

#### INCREASE TO THE LIMIT ON THE SQUAD COST DUE TO CONTRIBUTIONS RECEIVED BY CLUBS/SADs

##### *Section One: General Rule*

#### ARTICLE 81. INCREASE TO THE LIMIT ON THE SQUAD COST DUE TO CONTRIBUTIONS.

1. The Limit on the Squad Cost allocated to a Club/SAD may be increased in Season T when Contributions are made in its favour by Shareholders, Related Parties or third parties ("Contributors").
2. The concept of Contributions, their requirements, calculation, quantitative limits, increase to the Limit on the Registrable Squad Cost and rules of procedure are regulated in this Chapter Four.

##### *Section Two Contributions Concept*

#### ARTICLE 82. CONTRIBUTIONS CONCEPT.

1. For the purposes covered in these Standards and particularly those regulating increases to the Limits on Squad Costs, Contributions are understood to mean any of the following legal transactions and operations:
  - a) Cash contributions made in respect of disbursements of the nominal value of new shares issued by the SAD and subscribed by the Contributor or for raising the nominal value of outstanding shares in a share capital increase, including the amounts contributed in respect of the issue premium agreed, where appropriate.
  - b) Cash contributions in respect of donations not subject to any conditions, terms or means, which represent an increase in the Club/SAD's Equity.

- c) Elimination of the SAD's debts through contributions from creditors of their claims against the same in a share capital increase of the SAD.
  - d) Writing-off of the Club/SAD's debts by the creditor, provided they are not subject to any conditions, terms or means.
2. The following legal transactions and operations will not have the consideration of being Contributions under any circumstances:
- a) Contributions to the capital increase of SADs imposed by law or as a consequence of the minimum capital being fixed by the Mixed Committee for the Transformation of Clubs into Public Limited Sports Companies.
  - b) Non-cash contributions, except for credit compensations or contributions.
  - c) Positive variations in Equity as a result of a revaluation of assets.
  - d) Share capital increases against reserves of any kind.
  - e) Creation, or increase on the balance sheet, of Reserves in which no capital has been contributed in cash.
  - f) Any contribution made by any legal transaction through which the Club/SAD assumes an effective obligation or responsibility to act or intervene in a certain way.
  - g) Contributions under any bond which constitutes outstanding liabilities.
  - h) Subordinated or equity loans or claims and other kinds of loans which, although representing - in accordance with legal regulations - part of the Equity, must be repaid by the borrower.
  - i) Any Contribution transaction in which the Club/SAD is obliged to reimburse the contributor or a party related to the same, whether directly or indirectly, or through any kind of provision or compensation through transactions with unadjusted prices.
  - j) Write-off, compensation or financing or any other liability arising as a result of a previous repayment of contributions from share capital reductions or transactions with similar effects,
  - k) The reductions of bankruptcy debts established in a Creditors' Agreement.
3. The transactions described in order to have the character of being a capital contribution for the purposes of this Chapter shall in any case entail an increase in the Club/SAD's Equity and be thus posted in its accounting.
4. Capital Contributions shall also meet the following conditions to be considered as such for the purposes of this Chapter:
- a) Carried out by Shareholders, Parties Related to the Club/SAD or by any third party.
  - b) Recognised and recorded on the Club/SAD's Financial Statements
  - c) Not having been taken into account for increasing the Limit on the Squad Cost for any Season before T.
  - d) In the event that the case concerns contributions through share capital increases, the relevant legal instruments have been registered on the Companies Registry.
  - e) In any case and in the case of Cash Contributions, the entry of such on the Club/SAD's accounts is recorded and accredited.

### *Section Three*

## *General Reductions and Quantitative Limitations*

ARTICLE 83. GENERAL REDUCTIONS AND QUANTITATIVE LIMITATIONS ON THE ELIGIBLE AMOUNT OF CONTRIBUTIONS FOR THE PURPOSES OF CALCULATING THE INCREASE TO THE LIMIT ON SQUAD COSTS.

1. Without prejudice to the specific quantitative limitations that are regulated in Section Four of this Chapter, the eligible amount of Contributions for the increase to the Limit on Squad Costs will be reduced by:
  - a) The amount of collection rights balances in favour of the Club/SAD owed by Contributors or other Shareholders (or related to one or the other) who have a shareholding in the SAD equal to or greater than THREE PER CENT (3%) of its share capital, which appears or should appear against Assets on the Club/SAD's balance sheet. The collection rights derived from the provision of services realised with related parties that do not exceed ONE PER CENT (1%) of the Net Turnover from the last audited season of the SADs that play in the First Division and FIVE PER CENT (5%) of SADs that do so in the Second Division.
  - b) The amount of all expenses and taxes payable by the Club/SAD accruing from the legal transaction or operation corresponding to the Contribution.
2. During the Seasons in which, in accordance with the provisions of this Chapter Four, Capital Contributions are allocated for Increases in the Squad Cost Limit, and during the following THREE (3) Seasons, any operation that involves an outflow of funds or recognition of debts in favour of the Contributors and/or, Shareholders (or related to one or the other) with a shareholding of THREE PER CENT (3%) or more in the share capital of the SAD, will imply a correlative and automatic reduction of the SAD's Squad Cost Limit, for a figure equal to the amounts referred to in section 1 above, increased by FIFTEEN PER CENT (15%) in the Season that such circumstances are detected by the Validation Body or in the following, at the discretion of the aforementioned Body.
3. In the case of successive contributions; for Clubs/SADs that compete in the Second Division, in addition to the maximums established in Article 85 for each Season, the joint effect across three consecutive Seasons that the set of capital contributions received has on the Squad Cost Limit cannot imply that the increase in the Limit and registration capacity, together with the effect derived from the recourse to equity provided for in Article 102, where applicable, exceeds the sum of 25%, 25% and 10% of the Turnover budgeted and validated by the Validation Body for Seasons T-2, T-1 and T, respectively.

### *Section Four*

*Quantitative limits on Capital Contributions received by Clubs/SADs for the purposes of being taken into consideration for increasing the Limit on Squad Costs.*

ARTICLE 84. PURPOSE.

The rules contained in this Section Four are aimed at establishing the specific quantitative limits and criteria for calculating the Contributions received by Clubs/SADs for the purposes of being taken into consideration for increasing the Limit on Squad Costs, depending on the economic and financial situation and, where appropriate, the bankruptcy status, of the

Club/SAD concerned.

**ARTICLE 85. CLASSIFICATION OF CLUBS/SADs INTO GROUPS FOR THE PURPOSES OF APPLYING CRITERIA FOR CALCULATING CONTRIBUTIONS AND INCREASES TO THE LIMIT ON SQUAD COSTS FOR EACH OF THE GROUPS.**

For the purposes of the calculation and the specific quantitative limits for calculating the Capital Contributions, Clubs/SADs are classified into four groups: A, B, C and D. The amount of the Increase to the Limit on Squad Costs applicable as a result of the contribution is given for each group below.

**GROUP A**

**CRITERIA FOR INCLUSION IN GROUP A**

1. GROUP A includes the Clubs/SADs which, in their balance sheet for the last audited Financial Year, or in subsequent Interim Financial Statements if already drawn up and subjected to Limited Review, meet each and every one of the following conditions:

- a) Adjusted Equity as established in Article 24.2 of these Regulations, greater than FIFTY PER CENT (50%) of the Outstanding Liabilities minus
  - The deferred tax liability from having posted, at any time, the Right of Use (as defined in the Definitions Annex) of sports facilities in favour of the Club/SAD will not be taken into account
  - Credits against other Clubs/SADs and sports companies deriving from definitive or temporary transfer operations for the federative rights of Players and Technical Staff.
  - Treasury.
  - Equivalent Liquid Assets
  - Short-term financial investments

In addition, the Equity must be at least €20,000,000 in First Division Clubs/SADs and €8,000,000 in Second Division Clubs/SADs.

b) Adjusted Liabilities (as defined in these Standards in the Definitions Annex) lower than the result of applying the coefficient 0.8 to Net Turnover, and

c) It not being applicable for them to be included in either Groups C or D provided for in this article.

2. To determine the Net Turnover to be taken into consideration for the purposes of the provisions of point b) in section 1 above, the following rules shall be applied:

a) First of all it shall be determined which division the Club/SAD has played in most often in the previous FOUR (4) seasons to the one the contribution is made in and in the actual Season it is made in.

b) If it is known from the classification obtained in which division the Club/SAD will most probably play in the Season after the one the contribution is made in, the reference to be taken shall be the three (3) Seasons before the one the contribution is made in, the Season it is made



in and the following Season.

c) Once the division is determined in accordance with paragraph a) above, the Net Turnover corresponding to the most recent Season shall be taken, including the Season in which the contribution is made, in which the Club/SAD played in said division.

d) If the Annual Accounts for the Season the Net Turnover is taken from have not been audited, it will be provisionally estimated by the LaLiga Validation Body.

e) Seasons in which the Club/SAD played in the Non-professional category will not be taken into account.

#### INCREASE TO THE LIMIT ON SQUAD COSTS FOR CLUBS/SADs IN GROUP A

1. Clubs/SADs included in GROUP A may increase their Limit on the Squad Cost, with the temporal distribution stated in paragraph 2 below, by an amount equal to EIGHTY (80) PER CENT of the difference (provided it is positive) between:

(i) the eligible amount of the Contributions, as the minuend and

(ii) the estimated Treasury deficits that could not be covered with 20% of the amount of the contributions not intended to increase the Squad Cost Limit, calculated prior to recording the Contributions and the increase in the Squad Cost Limit, and referred to the Season for the increase to be requested, as the subtrahend.

2. As a general rule, the resulting amount above will increase the Limit on the Squad Cost of the Club/SAD that received the contribution corresponding to Season T in which the contribution is posted and the THREE (3) following, distributed equally in quarters. 4.- However, Clubs/SADs included in this Group may increase the referred Squad Cost Limit in equal parts distributed over THREE (3) consecutive Seasons, as long as they prove to the Validation Body that the average duration of the contracts signed with their Players and Coaches does not exceed 3 Seasons.

3. It will in any case be necessary for the Validation Body to expressly and previously authorise, from the Season in which the contribution is posted and in each of the following, the total amount that may be calculated for increasing the Limit on the Squad Cost, in accordance with the provisions of this Article and without prejudice to the Validation Body being able to apply, in each Season, adjustments arising from the analysis of the LaLiga Treasury Budget of the same, as provided in Article 48.3 of these Standards.

4. The Clubs/SADs included in this Group that, at the time of receiving the contribution play their first team in the Second Division A, may increase the referred Squad Cost Limit in equal parts distributed over TWO (2) consecutive Seasons, as long as they prove to the Validation Body that the average duration of the contracts signed with their Players and Coaches does not exceed 2.5 Seasons.

In this case, were the Club/SAD promoted to the First Division and the balance of the Increase

in the Squad Cost Limit deducted as a result of the contribution received but pending application, the amount of said balance will increase the referred Squad Cost Limit distributed over four (4) consecutive Seasons, counting from the Season in which a Squad Cost Limit Increase had already been applied, notwithstanding that stated in section "2" above to be able to do it in 3 Seasons.

As soon as the contribution is registered and in the following Seasons, if applicable, it will be necessary for the Validation Body to expressly authorise the total amount that may be calculated by the Club/SAD to increase its Squad Cost Limit, and in accordance with the provisions of section 3 above

5. In addition to the limits that the Capital Contributions must respect in terms of complying with the breakeven point regulated in Book X of the General Regulations of LaLiga, the effect that all capital contributions received have on the Squad Cost Limit may not imply that the increase of the Limit and the ability to make registrations, together with the effect derived from the recourse to equity provided for in article 102, if applicable, exceeds TWENTY-FIVE PER CENT (25%) of the Net Turnover budgeted and validated by the Validation Body for said Season T. In this regard, any amendment to the Squad Limit of a Club or SAD that brings about a capital contribution for its calculation must recalculate this Limit always considering these effects in last place.

## GROUP B

### CRITERIA FOR INCLUSION IN GROUP B

GROUP B includes Clubs/SADs which, in their balance sheet in the last audited Financial Year or in subsequent Interim Financial Statements if already drawn up and subjected to Limited Review, do not meet any of the conditions referred to in letters a) or b) of point 1 of the Criteria for Inclusion in Group A and they do not correspond to inclusion in any of Groups C or D provided for in this Article.

### INCREASE TO THE LIMIT ON SQUAD COSTS FOR CLUBS/SADs IN GROUP B

1. Clubs/SADs included in GROUP B may increase their Limit on the Squad Cost by an amount equal to SIXTY-FIVE (65) PER CENT of the difference (provided it is positive) between:

- (i) the eligible amount of the Contributions, as the minuend and
- (ii) the estimated Treasury deficits that could not be covered with 35% of the amount of the contributions not intended to increase the Squad Cost Limit, calculated prior to recording the Contributions and the increase in the Squad Cost Limit, and referred to the Season for the

increase to be requested, as the subtrahend

2.- As a general rule, the resulting amount above will increase the Limit on the Squad Cost of the Club/SAD that received the contribution corresponding to the following seasons and proportions (expressed as a percentage):

Season (T) in which the contribution is registered: 20.00

T+1	15.00
T+2	15.00
T+3	15.00

However, Clubs/SADs included in this Group may increase the referred Squad Cost Limit in parts distributed over THREE (3) consecutive Seasons, 25%, 20% and 20% respectively, as long as they prove to the Validation Body that the average duration of the contracts signed with their Players and Coaches does not exceed 3 Seasons.

3.- It will in any case be necessary for the Validation Body to expressly and previously authorise, from the Season in which the contribution is posted and in the following, the total amount that may be calculated for increasing the Limit on the Squad Cost, in accordance with the provisions of this Article and without prejudice to the Validation Body being able to apply, in each Season, adjustments arising from the analysis of the LaLiga Treasury Budget of the same, as provided in Article 48.3 of these Standards.

4.- The Clubs/SADs included in this Group that, at the time of receiving the Contribution play their first team in the Second Division A, may increase the referred Squad Cost Limit in equal parts distributed over TWO (2) consecutive Seasons, as long as they prove to the Validation Body that the average duration of the contracts signed with their Players and Coaches does not exceed 2.5 Seasons.

If the Club/SAD were promoted to the First Division and any balance of the Increase not yet applied was subtracted, the amount of said balance will increase the referred Squad Cost Limit distributed over four (4) consecutive Seasons, counting from the Season in which a Squad Cost Limit Increase had already been applied, notwithstanding that stated in section "2" above to do it in 3 Seasons.

As soon as the Contribution is registered and in the following Seasons, if applicable, it will be necessary for the Validation Body to expressly authorise the total amount that may be calculated by the Club/SAD to increase its Squad Cost Limit, and in accordance with the provisions of section 3 above

5.- In addition to the limits that the Capital Contributions must respect in terms of complying with the breakeven point regulated in Book X of the General Regulations of LaLiga, the effect

that all capital contributions received have on the Squad Cost Limit may not imply that the increase of the Limit and the ability to make registrations, together with the effect derived from the recourse to equity provided for in article 102, if applicable, exceeds TWENTY-FIVE PER CENT (25%) of the Net Turnover budgeted and validated by the Validation Body for said Season T. In this regard, any amendment to the Squad Limit of a Club or SAD that brings about a capital contribution for its calculation must recalculate this Limit always considering these effects in last place.

## GROUP C

### CRITERIA FOR INCLUSION OF CLUBS/SADs IN GROUP C

1. This Group includes Clubs/SADs which are in any of the following circumstances.

a) Adjusted Liabilities (as defined in the Definitions Annex) in the Balance Sheet for the last audited financial year, or in subsequent Interim Financial Statements if already drawn up and subjected to Limited Review, greater than 1.5 times the Net Turnover.

or

b) The corresponding Creditors' Agreement having been approved in bankruptcy proceedings in which the Club/SAD is the subject, and being in any of the following circumstances:

(i) at least SEVENTY-FIVE (75) PER CENT of its bankruptcy debts have not been cancelled as of the effective date of the contribution.

(ii) the total amount of outstanding bankruptcy debts as of the closing date of the Club/SAD's latest audited Annual Accounts or the most recent intermediate Financial Statements that have undergone a limited review, exceeds FIFTEEN (15) PER CENT of the estimated Net Turnover – accepted by the Validation Body – for the first Season in which the Club/SAD plans to calculate the contribution to increase the Squad Cost Limit.

2. In order to determine the Net Turnover to be taken into consideration for the purposes of the provisions of point a) of paragraph 1 above the same rules as in Section 2 of "Criteria for Inclusion in Group A" shall be applied.

3.- For the purposes of considering a Club as being Under Administration and the concept and amount of the Bankruptcy Debt, the provisions of Article 22.2 of these Regulations will be followed.

### INCREASE TO THE LIMIT ON SQUAD COSTS FOR CLUBS/SADs IN GROUP C

1. Clubs/SADs included in Group C may increase their Limit on the Squad Cost, with the temporal distribution stated below, by FIFTY (50) PER CENT of the difference (provided it is positive) between:

a) The amount of eligible Contributions, as the minuend.

b) And as the subtrahend, the sum of:

(i) the amount of eligible Contributions that are already included on and provided for under the aforementioned Viability Plan.

(ii) the amount of advance payments in favour of bankruptcy creditors that are enforceable by them in accordance with the provisions of the approved Creditors' Agreement or Special Agreement as a result specifically of the realisation of the contribution and

(iii) the estimated Treasury deficits that could not be covered with 50% of the amount of the contributions not intended to increase the Squad Cost Limit, calculated prior to recording the Contributions and the increase in the Squad Cost Limit, and referred to the Season for the increase to be requested, as the subtrahend.

2.- As a general rule, the resulting amount above will increase the Limit on the Squad Cost of the Club/SAD in the following seasons and proportions (expressed as a percentage):

Season (T) in which the contribution is registered: 12.50

T+1	12.50
T+2	12.50
T+3	12.50

4.- However, Clubs/SADs included in this Group may increase the referred Squad Cost Limit in equal parts distributed over THREE (3) consecutive Seasons, as long as they prove to the Validation Body that the average duration of the contracts signed with their Players and Coaches does not exceed 3 Seasons.

3.- It will in any case be necessary for the Validation Body to expressly and previously authorise, from the Season in which the contribution is received and during the following, the total amount that may be calculated for increasing the Limit on the Squad Cost, in accordance with the provisions of this article and without prejudice to taking into consideration, in each Season, the adjustments arising from the analysis of the LaLiga Treasury Budget of the same, in accordance with Article 48.3.

4. The Clubs/SADs included in this Group that, at the time of receiving the contribution play their first team in the Second Division A, may increase the referred Squad Cost Limit in equal parts distributed over TWO (2) consecutive Seasons, as long as they prove to the Validation Body that the average duration of the contracts signed with their Players and Coaches does not exceed 2.5 Seasons.

If the Club/SAD were promoted to the First Division and subtracted any balance of the Increase not yet applied, the amount of said balance will increase the referred Squad Cost Limit

distributed over four (4) consecutive Seasons, counting from the Season in which a Squad Cost Limit Increase had already been applied, notwithstanding that stated in section "2" above to do it in 3 Seasons.

As soon as the Contribution is registered and in the following Seasons, if applicable, it will be necessary for the Validation Body to expressly and previously authorise the total amount that may be calculated by the Club/SAD to increase its Squad Cost Limit, and in accordance with the provisions of section 3 above

5. In addition to the limits that the Capital Contributions must respect in terms of complying with the breakeven point regulated in Book X of the General Regulations of LaLiga, the effect that all capital contributions received have on the Squad Cost Limit may not imply that the increase of the Limit and the ability to make registrations, together with the effect derived from the recourse to equity provided for in article 102, if applicable, exceeds TWENTY-FIVE PER CENT (25%) of the Net Turnover budgeted and validated by the Validation Body for said Season T. In this regard, any amendment to the Squad Limit of a Club or SAD that brings about a capital contribution for its calculation must recalculate this Limit always considering these effects in last place.

#### GROUP D

##### CRITERIA FOR INCLUSION IN GROUP D

Group D includes Clubs/SADs that are the subject, as debtors, of bankruptcy proceedings in which the corresponding Creditors' Agreement has not yet been approved.

Clubs/SADs in Group D may not take into consideration or calculate any contribution for increasing their Limit on the Squad Cost.

##### ARTICLE 86. ANTICIPATION OF RELEGATION.

In the event that, at the time of receiving the Contribution, a Club/SAD included in Groups A, B or C is aware that it is going to be relegated from a Sports Category or that there is a high probability that this circumstance will occur, the Economic Control Committee, on the motion of the Validation Body, may adjust downwards the Net Turnover to be calculated for inclusion in a particular Group provided under this Article.

##### ARTICLE 87. ADJUSTMENT TO THE AMOUNT OF EQUITY.

The Equity figure to be calculated for the inclusion of a particular Club/SAD in a Group provided under Article 85 will be adjusted by

- a) Reducing its amount by that of the Quantified Exception in the Audit Report regarding this concept, and
- b) Eliminating the effect on the same arising from having posted, at any time that it occurred, the activation of the Right of Use of Sports Facilities. (Right of Use and Adjusted Equity, as defined by the Definitions Annex).

- c) Not computing the negative effect of the loss or lower profit, nor its subsequent reversal, for an amount equivalent to the Registrable Squad Cost employed by the club under the provisions of Article 100 bis. As a clarification, the Cost whose effect will be neutralised is exclusively that referred to in section ii) of said article.

ARTICLE. 88. SITUATION OF THE NON-APPLICABILITY OF AN INCREASE TO THE LIMIT ON THE SQUAD COST DUE TO CONTRIBUTIONS.

1. Clubs/SADs that intend to take Contributions into consideration for increasing their Limit on the Squad Cost and that had planned to carry out, within the FOUR (4) Seasons following the disbursement of a Contribution, investments in assets other than Federative Player Rights, will not be covered by the provisions of this Chapter.
2. In this case, the Economic Control Committee will be responsible for adjusting and finally establishing the amount that can be allocated to such increase to the Limit on Squad Costs, in accordance with the information submitted by the Club/SAD concerning the aforementioned investments.

ARTICLE 89. INCREASE TO THE LIMIT ON THE REGISTRABLE SQUAD COST DUE TO CONTRIBUTIONS.

Once the increase to the Limit on the Squad Cost has been determined in accordance with the provisions of this Chapter, the Limit on the Registrable Squad Cost will be increased by an amount that will be equal to the result of applying to that increase to the Total Squad Cost the same proportion allocated by the Validation Body of the Registrable Squad Cost over the Total Squad Cost.

*Section Five*

*Half-yearly reporting obligation. Adjustment*

ARTICLE 90. HALF-YEARLY REPORTING OBLIGATION. ADJUSTMENT.

1. Clubs/SADs that have been authorised to increase their Limit on the Squad Cost by virtue of Eligible Contributions in accordance with this Chapter Four must prepare and submit to the Validation Body reports every six months in every Season including all the operations, contracts, legal transactions and any movements of money for any reason carried out from the time of realising the Contributions that have taken place between the Club/SAD and the Contributors or Parties Related thereto and with any other parties and/or companies related to the same
2. The two aforementioned Half-Yearly Reports will be submitted at the same time as the Interim Financial Statements audited with a Limited Review and the audited Annual Accounts must be submitted in accordance with the provisions of Articles 13 and 14 of Book X of the General Regulations and together with said documents.
3. The Half-Yearly Reports will conform to Standard Reporting Form MN 20.
4. The Validation Body will determine the number of Seasons during which the Club/SAD needs to prepare and submit said Half-Yearly Reports.
5. If the Validation Body - without prejudice to the powers of verification that the LaLiga bodies have - infers from the aforementioned Half-Yearly Reports that the Contributions

have not been effectively realised and/or have not been maintained over time, due to having been directly or indirectly reimbursed or compensated, it may make a corresponding adjustment to the Limit on the Squad Cost granted to the Club/SAD in the Season in which such circumstances has been brought to light or in following seasons, without prejudice to the opening of the corresponding disciplinary proceedings by the Competent LaLiga Bodies.

#### *Section Six*

#### *Procedure for requesting that Contributions received by Clubs/SADs be taken into consideration for increasing the Limit on the Squad Cost.*

#### ARTICLE 91. PROCEDURE FOR REQUESTING THAT CONTRIBUTIONS RECEIVED BY CLUBS/SADs BE TAKEN INTO CONSIDERATION FOR INCREASING THE LIMIT ON THE SQUAD COST.

1. Clubs/SADs that intend to include Contributions received for increasing their Limit on the Squad Cost will prepare the corresponding written application to the Validation Body, which will be accompanied by the following Economic and Financial Information:
  - a) Estimate of the Profit and Loss Account.
  - b) Estimate of the Cash Flow Statement.
  - c) Estimate of the Investments and Divestments Statement.
2. The information to be included in the aforementioned economic and financial documents will be that corresponding to the Season in which authorisation is requested for increasing the Limit on the Squad Cost by taking Contributions into consideration.
3. Estimated information concerning the following Season will also be included when the Eligible Contribution has been received after 15 November.
4. This documentation will be prepared in accordance with the rules contained in these Standards for the preparation of LaLiga Budgets, with the following clarifications:
  - a) Income that has not been realised or that is not supported by the corresponding contract will not be included or accepted.
  - b) Profits from transfers of Player Rights will be included by their realised value to the date of submitting the aforementioned economic and financial documents.
5. With respect to the information submitted by the Club/SAD, the Validation Body may make the adjustments that it deems appropriate and duly substantiated following the criteria of reasonableness, particularly as respects non-sports costs by virtue of real data from previous Seasons and possible exceptional costs that may be incurred by the Club/SAD that is the beneficiary of the Contribution, and it may alter, where appropriate, the Limit on the Squad Cost previously allocated.
6. The application for increasing the Limit on the Squad Cost based on the realisation of Contributions will be drawn up by the Club/SAD according to Standard Reporting Form MN 21 with certification issued by the Authorised Representative which confirms the effectiveness and accounting records of the Contributions.

#### CHAPTER FOUR BIS

#### SPECIAL CASES OF INCREASES FOR CLUBS/SADs IN SECOND DIVISION WITH AID FOR RELEGATION OR WHICH MEET CERTAIN CONDITIONS OF PROFITS OR REVENUE GENERATED



ARTICLE 91 BIS. THE CASE OF AN INCREASED SQUAD COST LIMIT FOR CLUBS/SADs ENTITLED TO RECEIVE "AID ON RELEGATION"

1. This special rule shall be exclusively applied to Clubs/SADs which in Season T have obtained the right to Aid on Relegation approved at all times by LaLiga, and which are therefore playing in Second Division A.
2. Clubs/SADs which meet the above condition may increase their respective Squad Cost Limit for Season T+1 if they fulfil the following rules:
  - a) If within the period finishing on 31 July in Season T they have notified LaLiga that in accordance with their provisions the Squad Cost Limit assigned for said Season T enables them to generate in said Season profits or resources greater than those required under the Rules for Drawing Up Club and SAD Budgets; said notification shall be accompanied by the corresponding quantitative estimate and an explanation thereof.
  - b) Furthermore, if in April of Season T it is clear that the estimated profits or resources to be generated for said Season T show amounts greater than those required under these Rules.
  - c) The Increase in the Squad Cost Limit for Season T+1 that may be assigned by the Validation Body cannot in this case be greater than the net profit or resources generated (after deducting corporation tax) that exceed the minimum required by these regulations for Season T.
3. The Validation Body, in accordance with its functions and competences, shall review this and may request additional explanations as it deems necessary, and may also adjust said Limit Increase, as the estimate of net profits and resources generated for Season T is modified.

ARTICLE 91 TER. SPECIAL CASES OF INCREASES FOR CLUBS/SADs IN SECOND DIVISION A WHICH MEET CERTAIN CONDITIONS OF NET PROFITS OR REVENUE GENERATED

1. Clubs/SADs which in Season T-1 play in Second Division A and play in the same division in Season T may increase their Squad Cost Limit for Season T provided that they meet the following conditions and the limitations set in section 3 of this Article:
  - a) They obtain in Season T-1, according to the estimate produced by the Validation Body, Net Profits from the Transfer of Players' Federative Rights that are greater than THIRTY-FIVE PER CENT (35%) of the Net Turnover estimated by the Validation Body for Season T-1.
  - b) If, in accordance with these regulations, the Budgetary Break-even Point requires the calculation of the Resources Generated by the Club/SAD, the sum of the Resources Generated by the Club/SAD in Season T-1, according to the estimate made by the Validation Body for said Season T-1, is less than THIRTY-FIVE PER CENT (35%) greater than the minimum required for Season T-1 under these Regulations.
  - c) If, in accordance with these Regulations, the Budgetary Break-even Point is determined supposing that the Net Profits are equal to or greater than zero (0), said Net Profits should reach in Season T-1, according to the estimate made by the Validation Body, at least THIRTY-FIVE PER CENT (35%) of the Net Turnover for said Season T-1, also estimated by the Validation Body.
2. The estimates in the above sections to be made by the Validation Body shall be based on the information supplied by the corresponding Club/SAD.

3. The Increase in the Squad Cost Limit for Season T which may be assigned by the Validation Body to the Clubs/SADs meeting the above conditions in the cases included in this Article, shall be at most:
  - a) The least excess resulting from the minimum values calculated in accordance with points a) and b), if the Budgetary Break-even Point is determined depending on the Resources Generated in accordance with the rulings of these Regulations, or
  - b) The least excess produced in the figures referred to in points a) and c) in section 1 above, if the Budgetary Break-even Point is determined depending on Net Profits.
4. The Validation Body, in accordance with the functions and competences granted by these Regulations, shall review this and may request additional explanations as it deems necessary, and may also adjust said Limit Increase, as the estimate of Net Profits from the Transfer of Federative Rights or Resources Generated for Season T-1 is modified.

## CHAPTER FIVE

### ADVANCE AUTHORISATION TO INCREASE THE LIMIT ON SQUAD COSTS

#### ARTICLE 92. ADVANCE AUTHORISATION TO INCREASE THE LIMIT ON SQUAD COSTS.

1. The Validation Body may, exceptionally, authorise an increase to the Limit on the Squad Cost in advance of the effectiveness or execution of the following situations covered, respectively, in Chapters One and Four of Title III of these Standards:
  - a) Increase in the Club/SAD's revenues or profits, arising from certain operations covered in the aforementioned Chapter One.  
and/or
  - b) The realisation and execution of Contributions in favour of the Club/SAD in accordance with the provisions of Chapter Four.

Or, due to its similar effect on the Available Balance, in advance of the decrease in the Squad Cost.

2. This exceptional authorisation for increasing the Limit on Squad Costs in advance may be requested by Clubs/SADs meeting the requirements laid down, where applicable, in Title III, except for those that are incompatible with advance authorisation, and in addition, as appropriate, confirming;
  - a) The reasonableness and predictability, to the Validation Body's satisfaction, of the Club/SAD's increase in revenues or profits or decrease in Squad Cost Limit intended to be calculated in advance, even without the contractual agreement on the transaction that would provide said increased revenues or profits or decrease in Squad Cost Limit being signed,
  - b) The firm and unconditional commitment, including the corresponding documentary justification, of the future effective execution of the Contributions through the corresponding firm agreement or contract signed between the Club/SAD and the Contributor,
3. The reasonableness and predictability of the increase in revenues or profits or decrease in Squad Cost Limit will be appreciated by the Validation Body, which will establish the

term or deadline for the contractual agreement on the transaction that is expected to provide the increased revenues or profits or decrease in Squad Cost Limit to be signed.

4. The Validation Body will also establish the deadline for the Contributions committed by the Related Party to be executed and their corresponding amount entered into the Club/SAD's accounts, with the Club/SAD's ownership and full availability without limitations being confirmed.
5. In any case, for the aforementioned advance authorisation for an Increase to the Limit on Squad Costs to be granted, guarantees must be submitted, in favour of LaLiga that ensures compliance with the increase in revenues or profits, the reduction in Squad Cost, or the reality and execution of the Contributions, as appropriate, with the scope, extent and duration required by the Validation Body and to its full satisfaction, in accordance with the following conditions and rules:
  - a) These guarantees will be submitted by the Contributor - in no case by the Club/SAD itself - and they must be sufficient, both in their financial content as well as in their legal configuration, for the complete satisfaction of the Validation Body
  - b) Other than for the exceptions set out in section d), the guarantees to be provided must consist exclusively of money deposits or first-charge bank guarantee, as well as the delivery of promissory notes and pledges, established by public deed and registered in the corresponding registry, on transferable securities admitted to official trading on the capitals market. In any case, the monetary deposit or first-charge bank guarantee must represent at least FIFTY PER CENT (50%) of the total guarantee provided. The marketable securities pledged will be valued at EIGHTY PER CENT (80%) of their traded price on the day the pledge is made.
  - c) LaLiga, through the Validation Body, may create a registry where members or shareholders of Clubs/SADs or third parties who intend to provide the guarantees referred to in this section 5 may voluntarily register, and where the data and supporting information of registered natural or legal persons' identification, personality, representation and the economic solvency would be recorded
  - d) However, registration will be a necessary condition so that, in addition to the guarantees referred to in section b) above, the guarantees that take on any other form admitted in law, both personal and real, can be admitted for guarantees on real estate or personal property or rights of any nature, except those set out in section b) above.
  - e) As fiduciary of the Club/SAD, LaLiga may, in case of non-compliance, execute, in whole or in part, the guarantees provided by the Contributor. The amount obtained from this execution will be retained by LaLiga, as trustee with the power of disposal, for the Club/SAD, which will allocate the same to the settlement of third-party claims against the Club/SAD, to be designated by the Club/SAD itself, with the Validation Body likewise able to carry out this designation.
  - f) All costs (expenses, fees, taxes etc.) concerning the creation, modification, replacement, execution or cancellation of the guarantees provided will be borne by the Contributor.
  - g) In order to cancel the guarantees provided, the Club/SAD and/or the Contributor must justify to the Validation Body the signing of the corresponding contract and the reality and execution of the Contributions calculated in advance, as well as the compliance with the other requirements laid down in these Standards.
6. The above provisions are without prejudice to any sanctions arising from non-compliance

of the obligations assumed.

7. QUANTITATIVE LIMITS ON THE INCREASE IN SQUAD COSTS AUTHORISED IN ADVANCE

a) If the Increase in the Squad Cost Limit is a result of increased Revenue or Profits or decrease in Squad Cost regulated under the First Chapter of this Section III, the limits shall be as follows

- (i) For Clubs/SADs playing in First Division, FIVE PER CENT (5%) of the Net Turnover accepted by the Validation Body for Season T, and
- (ii) For Clubs/SADs playing in Second Division, ONE AND A HALF PER CENT (1.5%) of said Net Turnover.

For the clubs that play in a lower division in season T than in season T-1, these limits will be calculated on the figure resulting from adding the Compensation for Relegation to the Net Turnover, in full, in the first season of competing in said division.

b) If the Increase in the Squad Cost Limit is a result of Contributions, regulated under the Chapter IV of this Section III, the limits shall be the same as under point a) above.

(i) However, in this case, the Increase limits will not apply when any of the following circumstances occur If the Contribution must come from a Capital Increase in the SAD, that the corresponding corporate agreement is duly adopted by the competent corporate body or the announcement of the corresponding session published.

(ii) The funds corresponding to the future Contribution are already in possession of the Club/SAD, deposited in their accounts.

(iii) Any other evidence provided by the Club/SAD which enables the Validation Body to see the Contribution will effectively be made.

c) When the cases for Increasing the Squad Cost Limit effectively take place, the excess which might exist with the increased limits set forth in points a) and b) above may be applied to increase the Squad Cost Limit as required.

8. In addition to the limits set out in section 7 a) above, a First Division Club/SAD may only use the possibility offered in this Article for a maximum calculation – which will be accumulated over four Seasons – equivalent to TEN PER CENT (10% ) of the last Net Turnover taken into account by the Validation Body to determine its Squad Cost Limit.

The percentage set in the above paragraph will be THREE PER CENT (3%) for Clubs/SADs whose first team plays in the Second Division A.

9. The application for advance authorisation to increase the Limit on Squad Costs will be drawn up in Standard Reporting Form MN 22.

In the event of exceptional circumstances that significantly and generally affect the affiliated Clubs/SAD, the Validation Body will provide reasoned notification of such circumstance and may authorise the provisions contained in this Article to be applied in order to increase the registration capacity of players, regardless of the Available Balance prior to said authorisation.

TITLE IV

BUDGETARY CONTROL ON THE REGISTRATION OF PLAYERS AND COACHES

## *Section One General*

### *Principle*

#### ARTICLE 93. GENERAL PRINCIPLE CONCERNING THE LIMIT ON REGISTRABLE SQUAD COSTS AND THE REGISTRATION OF PLAYERS

1. The Initial Registrable Squad Cost and the Updated Registrable Squad Cost, calculated in accordance with the provisions of Article 39 of the Standards, may not at any time exceed each Club/SAD's Limit on the Registrable Squad Cost allocated by the Validation Body, except in the special cases expressly included in these Regulations.
2. LaLiga will not register any Player or Trainer of a Club/SAD if, when calculating the individual Cost of such Player or Trainer, the Available Balance of the Limit on the Registrable Squad Cost authorised by the Validation Body is exceeded.
3. The Available Balance of the Limit on the Registrable Squad Cost is the difference - provided it is positive - between the amount of the Limit in force at any time, and the real Cost at the same time. For these purposes, the real Cost will include both "Registrable CPD, registered" and "Registrable CPD, non-registered". In addition, if the Coaching Staff is not registered for Season T, the amount reflected in Annex VI for the end of the T-1 Season will be provisionally computed as a real Cost – and therefore consuming the Available Balance. Likewise, in the event that the renewal of the Coaching Staff is public and notable, an additional amount equivalent to 20% of that reflected in Annex VI will be provisionally computed as a real Cost.
4. The provisions of Article 39.12 of these Regulations will be applied in any case.
5. When the Available Balance of the Squad Cost Limit is less than 5% of Net Turnover, the rules of Articles 100.2 and 100.3 will apply for the purposes of calculating the respective individual Costs of the new players to register.
6. Excepting Clubs/SADs that meet the Acceptable Financial and Economic Ratios defined in these Regulations, the registration of a Player or Coach will, in the event of at least one of the following two circumstances, require the Club/SAD to prepare a Treasury Plan for seasons T, T+1 and T+2 following the format established by the Validation Body in addition to the above; the Plan will subsequently need to be validated by the Validation Body:

a.- That in both season T-1 season and season T, the Club/SAD registered or had plans to register "non-recurring" operations that generate revenue that affects the calculation of its Squad Cost Limit or its ability to register.

For these purposes, non-recurring operations will be considered those that are exceptional and out of the norm for a given Club/SAD. By way of example and not exhaustive, the following are considered non-recurring operations:

- Sale of assets or rights that should be classified as Non-Current Assets, other than Players' Federative Rights.
- Player transfer operations that, together for any of the seasons T-1 and/or T, entail profits above the average of the three previous seasons.
- Participation in a competition that the Club/SAD has not played in the three previous seasons.

- b.- That the Club/SAD plays in the Second Division in T and played in the First Division in T-1.

The hypotheses and rules necessary to validate the Treasury Plan will be established and motivated individually, and communicated to the Club/SAD by the Validation Body, with it being, in any case, an essential requirement that the Plan reflect a positive Treasury balance at the beginning and at the end of each of seasons T, T+1 and T+2, the latter two in both the First and Second Division. The balance will be estimated taking into consideration the financing capacity of the Club/SAD according to its historical data, the situation and forecasts of the financial markets in the seasons covered by the Plan and any other objective criteria that the Validation Body deems relevant. In addition, said Plan will include the Club/SAD's obligation to comply, on pre-set dates, with certain financial indicators and, specifically, in relation to the specific level of net debt measured in absolute value in euros and the evolution of this figure, as defined in Book X of the LaLiga General Regulations. All of this is to ensure that the indebtedness of the Club/SAD is not higher than that which was estimated to correspond to the alternative scenario without the non-recurring operations.

The Cost in T+1 and/or T+2 corresponding to players registered in the scope of the Treasury Plan will be considered an excess over the Squad Cost Limit for all purposes, up to the amount of the resource deficit effectively materialised in each one of said seasons, with respect to those provided for in the Treasury Plan.

## *Section Two*

### *Initial Squad Cost*

#### ARTICLE 94. REPORTING OBLIGATION ON THE ACTUAL SQUAD COST FOR SEASON T-1 OTHER OBLIGATIONS.

1. Clubs/ SADs shall present to the Validation Body between 1 July and 10 July in Season T a summary, in accordance with Standard Form MN 23, in which they shall include the Squad Cost incurred in Season T-1 in accordance with what is set forth in Article 39. Standard Form 23 should be verified by the auditor of the Club/SAD in a Report of Agreed Procedures as of 30 November.
2. Clubs/SADs that will play in the Second Division A in Season T and that played in the non-professional category in Season T-1 will be obliged to notify all Players and Coaches (E1, E2 and PF licences) with which the Club/SAD has contracts in force for the Season in which they will compete in the Second Division A, during the first 10 days of July.

Until said notification is made and said contracts have been included on the Standard Reporting Form MN 23 of the Club / SAD, no requested procedure from the interested Club/SAD will be validated by LaLiga Financial Control. For this purpose, the aforementioned Clubs/SADs must submit a certificate issued by the Real Federación Española de Fútbol to LaLiga that includes a nominal list of Players with a contract in force by 30 June of Season T-1 or 1 July of the Season.

3. During the 10 first days of July, all Clubs/SADs will be obliged to regularise the situation of Players with whom they have a contract in force at the beginning of Season T, and whose Federative Rights were temporarily transferred the previous Season and who must rejoin the

Club/SAD. Until said procedures are updated and included on the Standard Reporting Form MN23 of the Club/SAD, no requested procedure from the affected Club/SAD will be validated by LaLiga Financial Control.

4. Said Standard Reporting Form MN 23 shall be signed by the Authorised Representative.
5. The aforementioned summary table will include information concerning:
  - a) The Registrable Squad Cost, to be provided by the Cost concepts, nominally and individually for each Player and Coach part of the Squad in question.
  - b) The Non-Registrable Squad Cost, to be provided exclusively by the Cost concepts.
6. In the information regarding the Registrable Squad Cost, the Net Book Value of the corresponding Federative Rights of Players (and, where appropriate, Coaches) will also be provided, individually and nominally, which have been part of the Squad in question  
The amounts must be reconciled with the Total Squad Cost given on the estimate of the Profit and Loss Account for Season T-1 which the Club/SAD would have submitted in accordance with these Standards.
7. The percentage represented by the variable remuneration with respect to the total fixed remuneration, to be called the "percentage of variables", will be determined within the Registrable Squad Cost. In order to calculate the "percentage of variables" the amount of the concepts included in the item "Other Remuneration" shall be taken into account as variable remuneration.
8. In addition, the same information as covered in the previous sections will be submitted with the same format and as part of said Standard Reporting Form MN 23, applying the following adjustments:

- a) Players and Trainers on the Registrable Squad whose employment contracts have ended on 30 June of T-1 will not be included.
- b) The estimated Cost for Season T of Players and Trainers whose employment contracts have not ended as of 30 June of T-1 will be updated.
- c) The variable remuneration column will include the result of applying the "percentage of variables" calculated according to paragraph 5, individually for each member of the Registrable Squad, to the fixed remuneration.
- d) The expected Collective Bonuses in accordance with the assumptions of the LaLiga Revenues and Expenditure Budget for Season T will be added

9. As regards updates to amortisations of members of the Registrable Squad for Season T, the possible variables correlated with revenue budgeted for Season T should be taken into account.

#### ARTICLE 95. WITHOUT CONTENT

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#### ARTICLE 96. INITIAL REGISTRABLE SQUAD COST FOR SEASON T.

The result of applying the appropriate adjustments in accordance with paragraph 6 to the actual Squad Cost incurred according to the provisions of Article 94 will constitute the Initial Registrable Squad Cost for Season T.

ARTICLE 97. STATEMENT OF COMPLIANCE BY THE CLUB/SAD CONCERNING THE NON-EXISTENCE OF PAYMENTS, REMUNERATION OR COMPENSATION PAID BY THIRD PARTIES TO PLAYERS OR COACHES.

1. Clubs/SADs should accompany and submit, within 10 days of the conclusion of the summer Player registration period (until 10 September), a Statement of Compliance in which they must state whether or not they are aware of, or in any way believe, that the Players and Coaches, the Cost for whom is part of the Registrable Squad Cost, have received, are receiving or will receive any compensation paid or committed to by third parties, natural and/or legal persons, which could be considered as the current expenditure of any nature in the Club/SAD in which they are registered.
2. Compensation or remuneration that the assignor Club/SAD could receive in the case of Players and Coaches whose Federative Rights are temporarily transferred to another Club/SAD are not included in the previous paragraph on remuneration.
3. The Statement of Compliance referred to by this Article will be drawn up in Standard Reporting Form MN 25.1 or 25. 2, as appropriate.

### *Section Three*

#### *Updating the Initial Registrable Squad Cost*

ARTICLE 98. UPDATING THE REGISTRABLE SQUAD COST.

1. The Initial Registrable Squad Cost for Season T, calculated in accordance with the provisions of Article 94, will be updated in accordance with increases or decreases which may take place in the different items making up the Registrable Squad Cost under Article 39.
2. Consequently, the following items will be allocated to the Registrable Squad Cost by their respective signs;
  - a) The individual Cost of each of the Players and Coaches who are intended to be registered on LaLiga,
  - b) The Cost for the expenditure and revenue generated by the temporary cession of the Federative Rights of Players and Coaches.
  - c) The variations in the Initial Registrable Squad Cost arising from contractual changes agreed with Players and/or Coaches, as well as costs resulting from the termination, for any reason, of employment contracts with Players and Coaches, and
  - d) In general, the variations in the amount of any of the items making up the Registrable Squad Cost according to the provisions of the aforementioned Article 39,
3. In the case of the deregistration of Players and Coaches due to the Transfer of their Federative Rights, whether permanently or temporarily, the following rules will be applied for updating the Registrable Squad Cost:
  - a) The amount which, where appropriate and as agreed with the Assignee Club/SAD, must be paid by the Club/SAD that has transferred or assigned the Federative Player Rights will remain as the Registrable Squad Cost.
  - b) The Registrable Squad Cost will be decreased by the percentage of variables that corresponds to the Player or Coach.



4. For the above purposes, in order to derecognise the Cost of a registered Player or Coach, the contract on the Transfer of their Federative Rights, whether permanent or temporary, or the corresponding document concerning the contractual termination, must be submitted to the Validation Body.
5. Upon completion of the Summer Player registration period, and in accordance with the rules laid down in Article 94, the Registrable Squad Cost for each Club/SAD will be updated, to be established and communicated by the Validation Body.

#### *Section Four*

#### *Budgetary Control procedure for Player Registrations*

#### ARTICLE 99. PLAYER REGISTRATION PROCEDURE FOR THE PURPOSES OF BUDGETARY CONTROL.

1. The provisions of this Section are independent of the general requirements, deadlines and procedures for registering Players and Coaches in LaLiga.
2. To register new Players or communicate the contractual amendments of those already registered by the Clubs/SADs, irrespective of whether that are registrations that are requested for having an available balance within the Squad Cost Limit, or for any of the exceptional cases contemplated in these Regulations to request said registrations, the following requirements must be met:
  - a) That the Club/SAD's LaLiga Budgets for Season T have been accepted and validated by the Validation Body. As clarification, and in accordance with the provisions of Articles 9, 31, 44 and concordant of these Regulations, the LaLiga budgets must be prepared for the entire consolidated Group, in accordance with the rules contained in these Regulations, and applying the Spanish General Accounting Plan exclusively as a supplementary regulation.
  - b) That all the information referred to in Articles 94 to 98 has been provided.
  - c) That the Club/SAD provide, through the use of the LaLiga Manager tool, all the information concerning the annual Cost of the Player that is to be registered, or in respect of which a contract has been modified, is provided. The Club/SAD will be exclusively responsible for correctly completing this obligation concerning information through this computer tool, in accordance with its User Manual and with the additional instructions issued by the Validation Body.
3. The Player's individual variable remuneration will be determined by applying the Club/SAD's "percentage of variables" to their fixed remuneration and, where appropriate, to the price for the cession of their image rights by the holding company, regardless of the variable remuneration agreed between the Club/SAD and the Player in their employment contract and, where appropriate, in the contract on the cession of image rights signed with the company holding such image rights. This minimum will be called "automatic

variable". The same shall apply to situations involving the contracting or contractual termination or renewal of the Coach, Assistant Coach and/or Fitness Coach.

4. In addition, the assignor and assignee Clubs/SADs must provide the breakdown of the revenue and expenditure, respectively, generated by the temporary sessions of Players that will be signed.

#### ARTICLE 100. SPECIFIC REGULATION FOR CLUBS/SADs EXCEEDING THE LIMIT ON REGISTRABLE SQUAD COSTS THAT MEET CERTAIN CONDITIONS.

1.- Once the Registrable Squad Cost Limit had been assigned, Clubs/SADs that could not register more Players on 1 July of Season T (in accordance with the provisions of these Regulations) due to having exceeded the aforementioned Limit, may however register new Players as long as the sum of their respective individual Costs for Seasons T and T+1 does not exceed:

a.- FORTY PER CENT (40%) of the decrease in the Registrable Squad Cost foreseen, correlatively, for each of said Seasons T and T+1, corresponding to the Players with whom their contractual relationship is amended, or temporarily or permanently terminated, and that would form part of their Initial Registrable Squad Cost for Season T had their been no variations from the date of the Limit was assigned and until July 1 of Season T. Additionally and temporarily, for the 2020/2021, 2021/2022 and 2022/2023 Seasons, TWENTY-FIVE PER CENT (25%) of the net profit from the transfer of players.

nor

b.- FORTY PER CENT (40%) of the excess between the Registrable Squad Cost and the Registrable Squad Cost Limit assigned by the Validation Body for Season T, on the date the Squad Cost Limit was initially assigned. Temporarily, for the decrease in cost materialised in the 2022/2023 Season, this maximum in T will be calculated by applying 40% of the excess to the date of entry into force of this version of the Regulations.

The same amount in euros that has been calculated for this maximum of T will be applied for the purposes of registering players in T and/or T+1, with respect to the decrease in cost materialised in T.

In the case of a cost reduction or transfer – formalised prior to the end of the summer market – of players whose individual cost is at least 5% of the Registrable Squad Cost, the percentages referred to in sections 1.a ) and 1.b) above will be increased to 50% of the decrease in Cost in said cases.

In no case may the registration capacity generated for a specific season be increased by a change in hypothesis that affects, in the application of this Article, the calculation of the already validated Squad Cost, the savings on it or the Cost of the players to register

As clarification, the decrease in Cost that materialises through agreements formalised in T, is computed independently for each season, and only generates the ability to register, in accordance with the rules contained in this Article, in the same season, T and/ or T+1, to which the reduction materialised in T corresponds, with said registration able to relate to contracts whose duration exceeds T+1. Registration in T+1 will require the club to have overrun in said season. In no case does a decrease in cost materialised in T generate an ability to register in T+2.

## 2.- Rules on players that generate Cost decreases for a determined season:

2.a.- For the purposes of computing the decrease in Cost generated in each of season T and the following by a specific player due to a contractual amendment, the rules on salary variations in Article 41, sections 3, 4 and 5, will apply for both First and Second Division clubs.

2.b.- In no case will the contractual amendments that entail clauses or contractual relationships of any nature whose effect is to guarantee that the player – in some form or another – receives the amounts of the Cost decrease corresponding to said season be computed as a Cost decrease corresponding to a specific Season.

2.c.- The decrease in Cost generated for a determined season by a specific player due to the temporary amendment or termination of their contractual relationship will only be fully computed the first time the player generates it for the purposes of this article. The decrease in Cost that, where appropriate, is generated on subsequent occasions, whether by amendment or temporary or permanent termination, will only be computed for the excess over the sum of the decreases previously computed for the purposes of this article in relation to that same player.

2.d.- In the event of a quantitative difference between the decrease in the initially estimated Cost and used to generate the ability to register, and the decrease actually materialised for a certain season, the difference will be corrected. This correction will be made by increasing or reducing the calculation of the decrease in Cost for the purposes of applying this Article, in the first Season in which, once the difference is detected, there is a registration capacity balance available from which to make said correction. The same procedure will be followed in the event of a quantitative difference for a specific season in the Cost of the new registration.

2.e.- In the event of contractual amendments, only the one derived from the amendment will be computed as a decrease in Cost for a certain season, provided that it is dated at least six months after the date of contracting or last contractual amendment for the Player in question.

2.f.- The reduction in Cost derived from a contractual amendment that extends the contract beyond the date on which the Player in question turns 35 years of age will not be computed as a decrease in Cost for a given season. As an exception, the Validation Body may authorise the decrease to be computed, exclusively in cases where the contract is extended for a maximum of two additional seasons after T and the Player played at least 20 official matches (at least 45 minutes per game) in T-1 with the same club as in T.

## 3.- Rule on new players who are intended to be registered:

For the purposes of computing the respective individual Costs of the new players to be registered for a determined season, the rules on salary increases in Article 41, sections 3, 4 and 5, will apply for both First and Second Division clubs.

4.- The rules by virtue of which the Squad Cost Limit is reduced, contained in Articles 59.6 (subsections a, b, c, d, e and f), 75, 77 and 78, will apply to clubs that exceed their Squad Cost Limit, applying the reduction on the registration capacity that they generate in accordance with this Article, in the first Season in which there is a registration capacity available balance with which to make said correction.

ARTICLE 100 BIS. SPECIAL RULE ON THE REGISTRATION OF PLAYERS FOR THE STRATEGIC OPERATION APPROVED IN 2021/2022 AND THE FINANCING DERIVED FROM IT.

1.- Exceptionally, independently of and in addition to the provisions and calculation rules contained in these Regulations in relation to the registration of players and trainers, clubs/SADs may register players through the strategic operation approved by LaLiga's General Assembly and the financing derived from it (hereinafter, the Impulso Plan or the Operation), pursuant to the following rules:

i).- All clubs/SADs can avail themselves of this special rule, whether or not they exceed their Registrable Squad Cost Limit in the season for which the registration of the players is requested.

ii).- For the purposes of computing this special rule, the individual cost of each player considered to be that corresponding to the season for which their registration is requested.

iii).- The sum of the individual cost of the players to be registered will be a maximum of 15% (FIFTEEN PER CENT) of the total amount of financing effectively formalised and provided by LaLiga to the club/SAD within the framework of the Operation.

iv).- The maximum amount referred to in the previous section may be distributed, at the free choice of the club/SAD, for the registration of players in the 2021/2022, 2022/2023 and 2023/2024 seasons, with any amounts of said maximum not employed ultimately being lost once the 2023/2024 season is over.

The reference to the 2021/2022 season will apply to clubs that joined when the Impulso Plan began, while for the clubs and SADs that do so later, said reference must be understood as referring to the first season of adherence to the plan, acting from then on in the manner indicated in this article, so that the mechanism is applied equally regardless of the date of joining it.

v).- Likewise, the sum of the individual cost of the players to be registered in each individually analysed season in which the club/SAD plays in the Second Division, may not exceed 25% (TWENTY-FIVE PER CENT) of the Net Turnover budgeted and accepted by the Validation Body for that season.

vi).- The sum of the individual cost of the players consumed by the club/SAD, as defined in section ii) above, will be deducted from the Registrable Squad Cost Limit for the 2024/2025, 2025/2026, 2026/2027, 2027/2028 and 2028/2029 seasons. The time distribution of this deduction will be made at the free choice of the club/SAD, always respecting that at least 10% (TEN PER CENT) will be deducted from said sum in each season, with no more than 60% (SIXTY PER CENT) pending at the end of 2026/2027 to deduct from 2027/2028, nor more than 30% (THIRTY PER CENT) of the total sum at the end of 2027/2028 to deduct from 2028/2029.

2.- The Validation Body, pursuant to its roles and competencies in relation to player registration requests made to it under this article, may:

a).- Request any verification of and checks on the information submitted by the Club/SAD that it deems appropriate.

b).- Require additional information and documentation.

c).- Interpret this article, as well as the adjustments that it deems appropriate – with duly reasoned criteria of reasonableness – so it is correctly applied with the other provisions contained in these Rules and in accordance with their purpose as a whole.

3.- In any case, in the 2021/2022, 2022/2023 and 2023/2024 seasons, the Validation Body will need to expressly and previously authorise the total amount that may be used for player registrations, pursuant to the provisions of this article.

In particular, if once the terms and conditions of the Operation approved by LaLiga's General Assembly have been accepted by the club/SAD, and the club/SAD wishes to access the financing corresponding to the Operation and, consequently, benefit from the possibility of registration provided for in this article, the club/SAD does not comply with the commitment to access the financing within the framework of the Operation, each and every one of the following consequences will result:

i).- The cost of the players whose registration had already been authorised by the Validation Body will be considered an unauthorised excess above the Squad Cost Limit for all purposes of the Rules at an amount equivalent to said cost and increased by 50% (FIFTY PER CENT).

ii).- It will permanently lose the possibility of registering players under this article starting from the 2021/2022 season.

iii).- Pursuant to Article 69.2.e) of the Statutes, the statutory provisions will apply to classify non-compliance with the agreements validly adopted by the Assembly as a very serious infraction.

Likewise, and pursuant to the procedure established in the Operation, in the event that non-compliance or deviation is verified from the Club's Development Plan submitted to obtain financing for the Operation, the Validation Body is empowered to adjust, limit or even deny the registration of players under this article, without prejudice to any disciplinary consequences that may arise from the non-compliance.

4.- For the purposes of calculating the Squad Cost Limit in the first three seasons from the Club/SAD joining the Impulso Plan, the Validation Body, at the request of the Club/SAD, may adjust the amount corresponding to current expenses (excluding amortisations) incurred or to be incurred during Season T for the growth of the Club/SAD, i.e., to Infrastructure, Digital, Technology, Communications, Commercial & Marketing, International and Brand areas, for the amount effectively financed by the Impulso Plan to the Club/SAD. The Validation Body will be responsible for the necessary validation, updates and amendments in relation to determining the expenses subject to this adjustment, in accordance with the terms of applying the Impulso Plan.

The adjustment referred to in the previous paragraph will have a maximum of 4% of Net Turnover for First Division Clubs/SADs and 1% of for Second Division Clubs/SADs, and in both divisions with a maximum amount of 1,000,000 euros per season. This adjustment will be reversed by being deducted from the Squad Cost Limit for the following five seasons, in the same mutatis mutandis terms as those described in section 1.vi) of this Article.

#### ARTICLE 101. SPECIAL RULES ON THE RENEWAL OF PLAYERS.

1. As a general rule, for contractual renewals of a Player during the Season, the registration of this Player by the contracting Club/SAD will only be accepted once the Limit on the Registrable Squad Cost for the following Season has been allocated by the Validation Body.
2. If the Player already had a contract in force for the following or subsequent Seasons, as a general rule their registration for said contractual renewal will not be accepted until the Club/SAD receives the Squad Cost Limit from the Validation Body for the following Season, and has a sufficient balance to not exceed the assigned Squad Cost Limit.
3. As an additional requirement to the rules of sections 1 and 2 above, the Player's registration will not be authorised, even where the renewal does not imply a Cost increase in either the Season during which the registration is requested or the following, in cases where the Club/SAD requesting registration exceeds its Squad Cost Limit by more than 20% of Turnover.
4. The provisions of this Article will not apply to Clubs/SADs that submit Acceptable Financial and Economic Ratios in accordance with the provisions of Articles 22 and following of these Standards.
5. Notwithstanding this general rule, the Validation Body may exceptionally authorise, via a reasoned report, the renewal when, in accordance with the following objective criteria, among others, the economic-sporting need for the renewal and the economic sense of the operation is evident:
  - i.- Renewal date.
  - ii.- Variation in the Cost of the player and, where applicable, number of seasons over which the contract is extended.
  - iii.- Evolution in T-1 and T of the player's sporting performance.
  - iv.- Evolution in the player's market value in T-1 and T, which must be verified by the Valuation Committee.
  - v.- Estimated initial available balance for T+1.

#### ARTICLE 102. CLUBS/SADs THAT MAY EXCEED THE LIMIT ON THE SQUAD COST.

1. Clubs/SADs that meet the Acceptable Financial and Economic Ratios in accordance with the provisions of Section Five of Chapter One of Title II and that also comply with the standards and provisions of Book X of the General Regulations of LaLiga, having obtained, in the last control carried out, a Positive certificate without Recommendation, may exceed the Limit on the Squad Cost.
2. The excess to the Limit on the Squad Cost will have, as a ceiling, the amount that, once said excess has been applied, does not reduce the amount of Net Equity at 30 June of T-2, or at 30 June of T-1 (provided that the Financial Statements for Season T-1 have been audited) by an amount less than 40% of the figure resulting from subtracting the amounts corresponding to each one of the following concepts from the Total Liabilities due within FIVE (5) years:
  - Deferred tax liabilities
  - Credit against other Clubs/SADs and sports entities deriving from operations for the Transfer of the Federative Rights of Players and Trainers.
  - Treasury
  - Equivalent Liquid Assets

3. Clubs/SADs wishing to apply the increase to the Squad Cost Limit in accordance with what is set forth in this Article should present the corresponding application, providing the estimates and calculations for the review thereof, and acceptance by the Validation Body (Standard Form MN 26) if required.

4. In any case the exceptions contemplated in these Rules shall be taken into account.

5. The amount of eligible Equity for the purpose of calculating the ceiling on the excess referred to in the preceding paragraph:

a) Will be reduced by the amount of any losses that are expected, in accordance with the criteria and assumptions accepted by the Validation Body, for Season T, as appropriate.

b) Will be adjusted in accordance with the quantified exceptions in the Audit Report regarding this concept, and

c) The effect on the same arising from having posted, at any time, the right of use of sports facilities in favour of the Club/SAD will not be taken into account.

d) For the Clubs/SADs that are active in the First Division, it cannot imply that the amount of the excess over the Squad Cost Limit and the registration ability, together with the effect derived from a capital increase, if applicable, exceeds TWENTY-FIVE PER CENT (25%) of Net Turnover.

For their part, Clubs/SAD that play in the Second Division may incur a maximum excess such that, together with the effect derived from a capital increase, if applicable, their Squad Cost Limit reaches 80% of the Club/SAD's validated Net Turnover for Season T. For the purposes of applying this article, said Turnover may not be higher than the average of the amounts validated for Season T for every Second Division Club/SAD, excluding those Clubs/SADs to which the highest and lowest amount of said sporting category has been validated.

The additional registration capacity that this special rule represents over the general rule, may only derive from the use of the Equity generated by accumulated profits, respecting the limits to the effect derived from capital increases, established in Articles 83 and 85 of these Regulations.

e) Neither the negative effect of the loss or lower profit, nor its subsequent reversal, will be computed for an amount equivalent to the Registrable Squad Cost employed by the club/SAD under the provisions of Article 100 bis. As a clarification, the Cost whose effect will be neutralised is exclusively that referred to in section ii) of said article.

f) It will be reduced by the positive result of T-2 that has already been taken into account in the balance equation to calculate the Squad Cost Limit in T.

g) It will be reduced by the part that corresponds to paid-up capital increases in T-2 or, where applicable, in T-1, which have allowed the Club to comply with the requirements of Article 24, without prejudice to the possibility of its use to increase the Squad Cost Limit pursuant to the provisions of Title III.

## TITLE V

### THE VALIDATION BODY AND GENERAL PROCEDURAL RULES

#### CHAPTER ONE

#### THE VALIDATION BODY

##### *Section One*

##### *Nature, Composition and Roles of the Validation Body*

#### ARTICLE 103. NATURE AND ROLES.

The LaLiga Budget Validation Body is the LaLiga body provided for under Article 43. Quater of the Articles of Association and in accordance with the provisions of Articles 3.1.g), 30, 33 and 62 of said Articles of Association and through the delegation of the President of LaLiga is responsible for verifying the compliance of affiliate Clubs/SADs with the standards on preparing the budgets of affiliated entities, in accordance with the provisions of the Articles of Association and these Standards.

#### ARTICLE 104. COMPOSITION, REQUIREMENTS AND APPOINTMENTS.

1. The Validation Body will be formed of three people, one of whom will be elected as the Chairperson.
2. The appointment and termination of Validation Body members will be made by the Chairman of LaLiga, which must be ratified by the Executive Committee with at least 2/3rds of attendees (qualified majority) voting in favour.
3. Full and alternate members may be appointed.
4. Professional experience in management connected to the finances of football Clubs/SADs is valued in being appointed a member of the Validation Body, including those related to the design and drafting of budgets, as well as any other accomplishments that prove suitability for the position.
5. Those working in a managerial position or who are part of an employment relationship or service leasing with any Club/SAD affiliated to LaLiga or its directors or administrators cannot be members of the Validation Body.
6. Members of the Validation Body may be paid





#### ARTICLE 105. ROLES AND COMPETENCES.

1. Without prejudice to the roles described in Article 97 and that apply in accordance with the Articles of Association, the Validation Body has the following specific roles, competence and powers:
  - a) To accept and validate the LaLiga Budgets prepared and submitted by the Clubs/SADs and, where appropriate, to not accept them.
  - b) To require the Clubs/SADs to provide whatever explanations, justifications, proof, evidence and documents it deems appropriate in connection with the information contained in the LaLiga Budgets submitted or in any applications drawn up by the Clubs/SADs under these Regulations.
  - c) To check and verify the information provided by the Clubs/SADs for any purpose covered under these Regulations.
  - d) To require the preparation and submission of new Alternative LaLiga Budgets.
  - e) To adjust the valuations of the different Budget Items according to the criteria set out in these Regulations, including other adjustments that may apply due to unreasonableness or non-compliance with the principles and rules of preparation.
  - f) To accept or reject the alternative valuations of Budget Items or other proposals by the Clubs/SADs when they can draw them up in accordance with these Regulations.
  - g) To establish and allocate the Limits on both Registrable as well as Non-Registrable Squad Costs.
  - h) To establish and modify the proportionality between the Registrable and Non-Registrable Squad Cost.
  - i) To approve or deny Increases to the Limits on Squad Costs requested under the provisions of these Regulations.
  - j) To approve the reporting technology and information tools it deems appropriate for the communication process with the Clubs/SADs and to report the information required under these Regulations and the Standard Reporting Forms.
  - k) To require the correction of formal defects and errors or material omissions, granting a deadline for such that it deems reasonable.
  - l) To approve the mandatory standard reporting formats for drawing up information and statements, including amendments to the standard reporting formats attached to these Regulations.

- m) To establish its own internal system for its operation and the adoption of resolutions.
  - n) To establish its internal administrative procedures.
  - ñ) To submit to the competent bodies of LaLiga the appropriate conclusions for the purposes covered under the Regulations and Articles 69 and 78 bis of the Articles of Association (breaches).
  - o) Interpretation of the accounting and financial-economic regulations contained in these Regulations,
  - p) To interpret these Standards, agreeing on clarifications and comments on any questions and answering queries raised by the Clubs/SADs.
  - q) To communicate, if it deems it appropriate to do so, the interpretive criteria of the Regulations and the accounting and economic-financial regulations contained therein to all Clubs/SADs through circulars.
  - r) To create and establish the regulation of the guarantors' registration referred to in Article 92.5 b) of these Regulations.
  - s) To agree specific economic or financial obligations or control, verification, supervision or information measures for the validation of League Budgets or Increases in the Squad Cost Limit for compliance by Clubs/SADs or on exercising any other of its powers in accordance with these Regulations.
  - t) To propose amendments to these Regulations to the competent body of LaLiga.
2. All the powers and competences that are expressly granted it in these Standards will, in any case, be the responsibility of the Validation Body, the General Regulations and LaLiga's Articles of Association.
  3. The Validation Body may exercise whatever other powers are granted to it by the competent bodies of LaLiga in terms of the economic control objectives.
  4. The Validation Body will use e-mail as the preferred means of communication and notifications to Clubs/SADs. The sending of a communication, from the authorised person to whom the Validation Body appoints from your LaLiga email address, containing the requirement, report, proposal, agreement or resolution adopted by said Body, will be valid for all purposes.

#### Article 105 bis. LALIGA's Valuation Committee

1. The role of LALIGA's Valuation Committee is to conduct the valuation of players and coaches who make up the squad of Clubs and SADs, as well as any other appraisal that may be submitted in relation to assets or operations.
2. This Committee will be formed of three or five members, all independent experts, preferably appointed from among financial economists and specialists in sports law with knowledge and/or accredited experience on these issues, and brokers for football players who are currently operating and have proven experience may also form part of the Committee, although, in this case, any conflict of interest that may occur with the valuation must be avoided.

If this situation occurs, the conflicting member will abstain from taking part in the valuation.

The Committee will have a secretary, appointed by the Validation Body, who may not take part in the technical deliberations nor vote.


Its members will be appointed and terminated by the Executive Committee for periods of two seasons, extendable tacitly at the proposal of the Corporate General Management. They will adopt their decisions unanimously in the form of a Resolution or, where this is not achieved, by means of the average valuation, having first discarded the highest and lowest.

3. Their valuation may be solicited by the Corporate General Management, the Financial control director, the OVP or a club/SAD, and will be convened through the Committee's secretary, who will inform Financial control management of such circumstance and send the applicant the form available for this purpose, for its corresponding processing.
4. The Committee will carry out its role pursuing objective criteria and preferably using specialised technological programs or platforms, notwithstanding being able to make reasoned adjustments to said valuations. To make the valuations and/or possible adjustments, aspects such as the cost to acquire the player, the value of their break clause or the remuneration elements available will be taken into account, without prejudice to other incidental aspects, such as:
  - a. The age of the player.
  - b. The current position of the football market.
  - c. The term remaining on the contract and, if applicable, assignment contracts.
  - d. The number of times capped in the current and previous season.
  - e. Individual awards ("Ballon d'Or", "Pichichi Trophy", "Zamora Trophy", etc.), won in the last three years.
  - f. The number of international championships won in the last four years.
  - g. The number of national championships won in the last two years.
  - h. The number/percentage of matches played in the current and previous season.
  - i. The sports category in which the Club/SAD plays and its situation.
  - j. Any other that is justified and accredited.
5. The members of the Committee will receive the fees and/or compensation for expenses set by the Executive Committee that, unless expressly provided otherwise in the applicable regulations, will be borne by the applicant requesting their services and whose amount may be consulted prior to confirming the valuation request. When the intervention of the Committee results in a previously defined discrepancy, and a specific claim is made by the applicant, their fees will be borne by the opposing party if it coincides with or is even more favourable to their claim, and half payment may be established exceptionally by the Committee in its resolution if it were not so but where the resulting valuation is closer to that of the applicant than to that of the opposing party, if any. For the above purposes, the same valuation will be considered as that which corresponds to a request related to a maximum of three Players and/or Coaches.
6. Valuations made cannot be appealed, notwithstanding that they may be when challenging any decision adopted on the basis of those.

## CHAPTER TWO: PROCEDURE BEFORE THE VALIDATION BODY

### *Section One: Procedure*

#### ARTICLE 106. ADMINISTRATIVE MANAGEMENT OF THE PROCEDURE.



The administrative management of the procedures arising from these Standards is the responsibility of the Economic Control Department, delegated by the Validation Body.

ARTICLE 107. COMMUNICATIONS AND NOTIFICATIONS. AUTHORISED REPRESENTATIVE.

1. The communications and notifications of any kind will be exclusively carried out electronically, including the submission of the LaLiga Budgets and any other information, application or resolution or agreement of the Validation Body, except as expressly stated in the Standards.
2. The Validation Body will provide an email address from which it will issue communications and to which the Clubs/SADs must address their communications.
3. On submitting their LaLiga Budgets, the Clubs/SADs will appoint one or more sufficiently authorised representatives (the Authorised Representative) to:
  - a) Commit and act on behalf of the Club/SAD before the Validation Body and the Economic Control Department, and
  - b) Issue and receive all communications and notifications, specifying an email address.
  - c) Issue the certifications and statements of compliance referred to in these Standards.
4. The Economic Control Department may agree to the use of electronic signatures in the communications.

ARTICLE 108. CALCULATION OF DEADLINES.

1. Unless stated otherwise, the deadlines given in days are counted in calendar days.
2. However, if the last day of the deadline coincides with a non-working day in Madrid, the deadline will be extended to the following working day.

*Section Two*

*Appeals*

ARTICLE 109. APPEALS AGAINST ACTS TO APPLY THE VALUATION CRITERIA AND RULES.

1. The only acts of the Validation Body that may be appealed against are those involving, as a result of a technical interpretation of the valuation criteria and rules or the limits, established in these Standards, a discrepancy with the Club/SAD that is greater than TWO POINT FIVE PER CENT (2.5%) for those participating in the First Division or FIVE PER CENT (5%) for those participating in Second Division A, with such percentages being calculated on the Club/SAD's Squad Cost Limit.

The calculation of the minimum amount of the discrepancy will be applied to the clubs who exceed their Squad Cost Limit, applying the percentage established in the previous paragraph, on:

- a.- The Squad Cost in T-1 reflected in Annex VI of the Club/SAD, applicable until the end of the summer market for T.
- b.- The expected Squad Cost for T reflected in Annex VI of the Club, once said summer market for T has ended.

2. The appeal shall be filed with the Economic Oversight Committee within two calendar days, counted from the date of the notification. Should the appeal be rejected by the Committee, the fees and other external services costs incurred by the Validation Body in relation to the appeal will be borne by the appellant Club/SAD. Likewise, the second and successive appeals submitted by a Club/SAD in the same season will have a cost to be borne by the Club/SAD of €3,000 each, which will be reimbursed to the Club/SAD should their claim be fully upheld.
3. The appeal will be resolved by the Economic Oversight Committee within five calendar days counted from the day following its submission, or from the date of compliance with the rectification requirement that could be made for that purpose. After eight calendar days have elapsed from the day following the submission of the appeal or completion of the rectification without receiving any notification, it may be understood that the appeal has been rejected.
4. The resolution of the Economic Control Committee that resolves the appeal will exhaust the associative course.

#### ARTICLE 110. RESOURCES.

Challenges to the other acts of the Validation Body will follow the general regulations established in the Articles of Association.

#### TRANSITIONAL PROVISIONS

##### SINGLE

Temporarily for the 2022/2023 Season, the 40% referred to in Article 100.1.b) of these Regulations will be calculated on the excess between the Registrable Squad Cost and the Registrable Squad Cost Limit at the date this version of the Regulation comes into force.

#### FINAL PROVISIONS


##### ONE. PENALTY SYSTEM

Failure to comply with the obligations set forth will be sanctioned under the penalty system established under LaLiga's Articles of Association

##### TWO. GUARANTEES OF THE EXECUTIVE BOARDS OF CLUBS AFFILIATED WITH LALIGA

For the purpose of calculating the amount of the guarantees that members of the Executive Boards of the Clubs may have to submit in accordance with current regulations and their Articles of Association, these Standards establish the provisions concerning setting the Limit on the Squad Cost and the requirements of the modification thereto and, therefore do not affect the aforementioned regulation on guarantees.

##### THREE. CRITERIA FOR TEMPORARY ALLOCATION OF REVENUES AND EXPENDITURE



With respect to the duration and criteria for the temporary allocation of revenues and expenditure for the 2019/2020 and 2020/2021 seasons, where there are divergences between commercial and sporting legislation arising from amending the end date of the season, the determination of the criteria that are necessary for the economic-financial data to be homogeneous with the other seasons is expressly delegated to the Budget Validation Body.

The impact of COVID-19 will be identified for the 2019/2020 and 2020/2021 seasons for these purposes, for which Clubs/SADs must submit an auditor's report (ISRS 4400) of agreed procedures in accordance with criteria established by the Budget Validation Body, which includes the quantification of the total amount of the effect of COVID-19 in the annual financial statements for each of these seasons.

#### ENTRY INTO FORCE

The current version of these Regulations will enter into force on the day following their publication by means of a Circular, and will therefore be applied to the preparation, submission and validation of the League Budgets, as well as to the assignment and increase of the Squad Cost Limit from said Season.



## ANNEXES

### DEFINITIONS OF TERMS AND EXPRESSIONS ANNEX.

#### ANNEX I: LALIGA REVENUES AND EXPENDITURE BUDGET. (INCLUDING ANNEXES I.1 AND I.2).

ANNEX I.1 Estimate of the Profit and Loss Account for Season T-1 and information concerning said Account for Seasons T-2 and T-3.

ANNEX I.2. Estimated Balance Sheet at 30 June of T-1 and comparative figures for Seasons T-2 and T-3.

#### ANNEX II: LALIGA INVESTMENTS AND DIVESTMENTS BUDGET.

#### ANNEX III: THE LALIGA FINANCING BUDGET.

#### ANNEX IV: THE LALIGA TREASURY BUDGET.

#### DESCRIPTION OF BUDGET ITEMS AND VALUATION CRITERIA AND RULES ANNEX. (LALIGA REVENUES AND EXPENDITURE BUDGET).

#### ANNEX WITH LIST OF STANDARD REPORTING FORMATS.

#### STANDARD REPORTING FORMATS.



LIGA NACIONAL DE FÚTBOL PROFESIONAL  
STANDARDS FOR THE PREPARATION OF THE BUDGETS  
OF CLUBS AND SADS  
**DEFINITIONS OF TERMS AND EXPRESSIONS ANNEX**

For the purposes of these Standards, the terms and expressions that are listed below will have the specific content and meaning stated in the definition given for each.

<b><i>Term/Expression</i></b>	<b><i>Definition</i></b>
<b>Adjustment(s)</b>	Correction(s) in the amounts of Budget Items or Sub-Items agreed by the Validation Body.
<b>Annex</b>	Any document attached to the Full Text of the Standards, that is part of the same and with the same normative value.
<b>Contributions</b>	The contributions of capital and funds and other transactions covered under Article 81 of the Standards and which meet the requirements of the provisions of Chapter Four, Title III (Art. 81 et seq.).
<b>Article</b>	When the relevant standard is not mentioned, it is taken to refer to the Articles of these Standards.
<b>Working Capital</b>	Result of the subtraction between current Assets and current Liabilities.
<b>Taxes/Charges</b>	Any right in rem or other right that directly subjects an asset or right to the compliance of obligations or debts of any nature, including liens.
<b>Sports Category</b>	Either of the two categories into which the professional Competition organised by LaLiga is divided.
<b>Net Turnover</b>	See Net Turnover.
<b>Club(s)</b>	Member(s) of LaLiga with the legal form of "sports club".
<b>Clubs/SADs</b>	Clubs and Public Limited Sports Companies affiliated with LaLiga
<b>Economic Control Committee</b>	The body of LaLiga covered and regulated by Article 44 of the Articles of Association.
<b>LaLiga Competition</b>	The professional Competition organised by LaLiga, which consists of two categories, First Division and Second Division A.
<b>European Competition(s)</b>	Official competitions between clubs organised by UEFA, singularly the UEFA Champions League and Europa League.

<b>Administration</b>	Period that covers the common phase of the insolvency, from the date of the order of declaration of insolvency (Art. 21 Law 22/2003 on Bankruptcy) to the date of the judgment approving the agreement (Art. 130 Law 22/2003 on Bankruptcy).
<b>Creditors' Agreement</b>	Agreement approved according to the provisions of Title V, Chapter I of Law 22/2003 on Bankruptcy, accompanied by the Payment Plan and Viability Plan.
<b>Copa de S.M. El Rey</b>	Knockout competition organised by the RFEF.
<b>Acquisition Cost of Federative Player Rights</b>	Amount of the price agreed upon and other equivalent items paid or pending payment and, where appropriate, the fair value of other compensation committed to, payable by the Club/SAD for the acquisition of the Federative Rights of a Player to their Club/SAD of origin, arising from a contract to permanently assign or Transfer Federative Rights, as well as all the expenses incurred that are required for such acquisition, such as broker and agent fees.
<b>Registrable Squad Cost</b>	The cost consisting of the different items set out in Article 39.
<b>Annual Accounts</b>	All the accounting and financial documents covered in Article 34 of the Code of Commerce.
<b>Coaching Staff</b>	The group formed by the Coach, Assistant Coach and Physical Trainer and Technicians with similar functions.
<b>Statement of Compliance</b>	Statement drawn up by the authorised representative of the Club/SAD concerning the certainty and veracity of the points and circumstances contained therein, made under their own responsibility,
<b>Resource Deficit</b>	The negative difference resulting from comparing the resources which, in accordance with the Viability Plan supporting the Creditors' Agreement signed by the Club/SAD, would need to be generated in a determined Season, and those which were actually generated or expected to be generated.
<b>Right of Use</b>	Includes any right in rem or other immovable property right that allows total or partial use, such as usufruct or surface, lease or revocable rights, of what is owned by the Club/SAD under an agreement or contract, whatever the form or name of such. Excluding only property rights acquired for a consideration and at market value.
<b>Economic Rights</b>	The economic valuation of the Federative Rights.
<b>Federative Rights</b>	Rights (including their possible economic value) corresponding to the Club/SAD through the registration of any of its player and/or the link through an employment contract of a professional sportsperson.
<b>Ordinary and subordinated</b>	Debts of the Club/SAD that are recognised in bankruptcy proceedings, according to the classification laid down under Law 22/2003 on Bankruptcy, Title IV, Chapter III, Section 3.

<b>preferential debts</b>	
<b>Reserve Team</b>	Reserve teams of Clubs/SADs are understood to mean those that are part of their structure while being signed to Sports Categories or divisions that are hierarchically different and below those of the first or main teams. Article 110 RFEF General Regulations.
<b>Financial Statements</b>	All the Club/SAD's financial information that does not constitute the Annual Accounts.
<b>Interim financial statements:</b>	See the General Regulations of LaLiga, Book X.- Economic Control Regulations, Art. 14.
<b>Articles of Association</b>	The Articles of Association of LaLiga Nacional de Fútbol Profesional.
<b>Group of Companies</b>	See Group of Companies.
<b>Group of Companies</b>	The group formed by the Club/SAD as the parent company and the subsidiaries, which have such character in accordance with the provisions of Article 42 of the Code of Commerce.
<b>Estimated Amount Season T-1</b>	The amount referring to any Budget Item that is calculated as an estimate for Season T-1 to be determined according to the rules set out in Article 31.
<b>Net Turnover</b>	Calculated as follows: Revenue from competitions (700/703 accounts) + Revenue from subscribers, membership cards (710/711 accounts) + Revenue from broadcasts (707 account) + Revenue from marketing (706 account) + Revenue from advertising (708 account).
<b>Corporation Tax</b>	Tax on profit due in the financial year, calculated according to the General Accounting Plan as follows  (Accounting result +/- Non-temporary differences) x Tax rate - Deductions and Allowances.
<b>Significant influence</b>	The power to be involved in the financial, operating, or sporting policies of an entity, but not in control or joint control of such entity, through share ownership, voting power, articles of incorporation, agreement, or otherwise. Examples of significant influence include a party: a. that directly or indirectly owns between 20% and 50% of the voting rights of the shareholders or partners; b. who has the ability to influence the appointment or removal of a majority of the members responsible for governing an entity (for example, any administrative, management or supervisory body of an entity); c. who is a minority shareholder or a member of the entity and, alone, by virtue of an agreement entered into with other shareholders or members of the entity or by any other means, can exercise significant influence [including as defined in points (a) and (b)]; d. who, in a single accounting period, provides an amount equal to at least 30% of the entity's total revenue for the same period, on their own or jointly with parties under the same ultimate

	control.
<b>Report on agreed procedures</b>	Report issued by the auditor as a result of a review of the agreed procedures carried out under regulation ISRS 4400. The aim of these kinds of reviews is to allow the auditor to carry out certain review procedures, which have previously been agreed between the auditor, the contracting entity and any other interested third party. The auditor does not issue an audit opinion in these kinds of reviews, but merely reports on the procedures carried out and the findings of fact found during such analysis.
<b>Limited Review Report</b>	Report issued by the auditor in connection with the Club/SAD's Interim Financial Statements
<b>Implicit Interest</b>	Financial costs that are part of the reimbursement value.
<b>Replacement investment</b>	Element of fixed assets of a nature similar to another that was already on the balance sheet, whose replacement would be necessary for the company's continued normal operations.

<b>Law on Sport</b>	Law 10/1990 of 15 October on Sport.
<b>Book X</b>	Book X of the General Regulations of LaLiga that contains <i>a posteriori</i> economic control standards.
<b>Liga/LaLiga/LFP</b>	Liga Nacional de Fútbol Profesional.
<b>Limit on Squad Costs</b>	The maximum amount to which a Club/SAD's Squad cost may ascend in a Season, allocated by the Validation Body.
<b>Standard Reporting Form</b>	Any of the Standard Reporting Forms included in the <i>Standard Reporting Form Annex</i> and any which may be created by the Validation Body at any time.
<b>Standards</b>	These " <i>STANDARDS FOR THE PREPARATION OF THE BUDGETS OF CLUBS AND LIMITED SPORTS COMPANIES</i> "
<b>Non-recurring operation</b>	<p>An operation that is exceptional and out of the norm for a given Club/SAD.</p> <p>By way of example and not exhaustive, the following are considered non-recurring operations:</p> <ul style="list-style-type: none"> <li>• Sale of assets or rights that should be classified as Non-Current Assets, other than Players' Federative Rights.</li> <li>• Player transfer operations that, together for any of the seasons T-1 and/or T, entail profits above the average of the three previous seasons.</li> <li>• Participation in a competition that the Club/SAD has not played in the three previous seasons.</li> </ul>
<b>Validation Body</b>	The LaLiga body provided for in Article 43. Quater of the Articles of Association and in accordance with the provisions of Articles 3.1.g), 30, 33 and 62 of said Articles of Association and through the delegation of the President of LaLiga is responsible for verifying the compliance of affiliate Clubs/SADs with the standards on preparing the budgets of affiliated entities, in accordance with the provisions of the Articles of Association and these Standards. (Arts. 104 et seq.).
<b>Related Parties</b>	See the General Regulations of LaLiga, Book X.- Economic Control Regulations - ANNEX 1. Section 10.
<b>Related Parties</b>	See the General Regulations of LaLiga, Book X.- Economic Control Regulations - ANNEX 1. Section 10
<b>Budget Item(s)</b>	Any item that has to be included on the LaLiga Budgets.

<b>Adjusted Liabilities</b>	<p>Outstanding liabilities with maturities equal to or less than two years from the year-end date, or from the closing date of the Interim Financial Statements where appropriate, reduced by the amount of the following items:</p> <ul style="list-style-type: none"> <li>- The deferred tax liability from having posted, at any time, the Right of Use (as defined in the Definitions Annex) of sports facilities in favour of the Club/SAD will not be taken into account</li> <li>- Credits against other Clubs/SADs and sports companies deriving from definitive or temporary transfer operations for the federative rights of Players and Technical Staff.</li> <li>- Treasury.</li> <li>- Equivalent Liquid Assets</li> <li>- Short-term financial investments</li> </ul>
<b>Outstanding Liabilities</b>	<p>Current obligations arising as a result of past events, for which extinction the company expects an outflow of resources that could produce economic returns or benefits in the future. Provisions are included for this purpose. Therefore, the amounts that appear under current and non-current liabilities on the balance sheet must be added, however, the deferred tax liability from having accounted for, at any time, the Right of Use (as defined in the Definitions Annex) of sports facilities in favour of the Club/SAD will not be taken into account</p>
<b>Equity</b>	<p>The residual part of the company's assets, after deducting all its liabilities. Includes the contributions made, whether at the time of its creation or later, by its shareholders or owners, that are not considered to be liabilities, as well as retained earnings and other variations affecting it. This does not include participative loans.</p>
<b>Adjusted Equity</b>	<p>The equity, adjusted in accordance with the exceptions specified in the audit report referring to said concept, and removing the effect on the same arising from having posted, at any time that it occurred, the activation of the right of use of sports facilities.</p>
<b>Non-coaching non-sports staff</b>	<p>The other staff linked to the Club/SAD through employment contracts, including management, administration, shop, security and access, marketing, communication, maintenance and cleaning staff.</p>
<b>Non-sports coaching staff</b>	<p>The sports director, coaching secretary, doctor, delegate, physiotherapists, kit men.</p>
<b>Payment Plan:</b>	<p>See Viability Plan.</p>

<b>Viability Plan</b>	<p>Document accompanying the approved Creditors' Agreement in which the resources needed, the means and conditions for obtaining them and, where appropriate, the commitments on their provision by third parties are specified, together with the Payment Plan, with a breakdown on the expected resources in order to comply with such.</p> <p>The Validation Body will have the power to adjust the amount set out in the Viability Plan as resources to be generated, taking into consideration for this the unexpected variations in the amounts and dates of payments to be met by the Club/SAD. The most relevant causes of the aforementioned variations include, but are not limited to, the following:</p> <p>Recalculation of ordinary debts as definitive accessions, formalisation of singular agreements with preferential creditors, investment requirements, attending to other non-bankruptcy obligations and debts, obtaining resources from divestments, write-off or novation of bankruptcy or non-bankruptcy obligations and debts, obtaining and returning financing and contributions from shareholders and related parties.</p>
<b>General Accounting Plan</b>	<p>Approved by Royal Decree 1514/2007 of 16 November.</p> <p>The specifics included in the ORDER of 27 June 2000 approving the regulations for adapting the General Accounting Plan to Public Limited Sports Companies will be taken into account.</p>
<b>Registrable Squad</b>	<p>Players linked to the Club/SAD through an employment contract, attached to the first team, i.e. player numbers 1 to 25 inclusive, and those not attached to any squad; as well as the coach, assistant coach and fitness trainer of the first team. It is assessed as a relevant circumstance for such consideration of Registrable Squad that it involves a cost to the Club and that the contract is not in force for the Season in question, including the registered and unregistered Registrable Sports Squad (Art. 38).</p> <p>Example:</p> <p><i>For a player who terminates their employment contract with the Club/SAD on 7 July of season T, supposing any kind of cost to the Club/SAD (any kind of compensation, amortisation, accounting loss etc.), said player will be considered as part of the Registrable Squad.</i></p>
<b>Non-Registrable Squad</b>	<p>Players linked to the Club/SAD through an employment contract or otherwise, attached to the other teams, reserve teams, in any Category; coaches, assistant coaches and fitness trainers of such teams. (Art. 38).</p>



<b>LaLiga Budgets</b>	All the budgets that the Clubs/SADs have to prepare and submit in accordance with the Standards.
<b>Updated LaLiga Budgets</b>	LaLiga Budgets that are modified in accordance with changes in the category or circumstances covered in LA Section Six of Chapter One, Title II, Articles 26 and following of the Standards.
<b>LaLiga Revenues and Expenditure Budgets Abridged Version</b>	LaLiga Revenues and Expenditure Budget that can be submitted by Clubs/SADs with Acceptable Financial and Economic Ratios, according to ANNEX I.3
<b>Validated LaLiga Budgets</b>	The LaLiga Budgets submitted by the Clubs/SADs and accepted by the Validation Body with any Adjustments that had been applied, where appropriate.
<b>Collective Bonuses</b>	Amount committed to by the Club/SAD with all or some of its Players in the case of the fulfilment of a determined condition, which is not individually included in the employment contract signed between the parties.
<b>First Division</b>	The higher Sports Category of the LaLiga Competition.
<b>Provisions for contingencies</b>	Express or implied obligations, clearly specified in terms of their nature, but which, as of year end, are undetermined as to their exact amount or the date on which they will occur.
<b>Budgetary Break-even Point</b>	That defined for each group of Clubs/SADs in Chapter Four, Title III of these Standards and for each type of LaLiga Budget. (Art. 42 et seq.)
<b>Acceptable Financial and Economic Ratios</b>	The ratios of a financial and economic nature that comply with the amounts established in Section Five of Chapter One, Title II, Article 22 et seq.
<b>Resources Generated</b>	<p>Calculated as follows:</p> <p>Pre-tax profit or loss for the financial year accepted by the Validation Body</p> <ul style="list-style-type: none"> <li>- Corporation tax (only negative)</li> <li>+ Amortisation of fixed assets</li> <li>+/- Impairment losses</li> <li>+/- Variations in provisions</li> <li>- Allocation of grants</li> <li>+/- Proceeds from disposals of fixed assets</li> <li>- investments</li> <li>+ divestments</li> </ul>
<b>General Regulations</b>	General Regulations of Liga Nacional de Fútbol Profesional.
<b>RFEF</b>	Real Federación Española de Fútbol.
<b>SAD(s)</b>	Public Limited Sports Company(s) of LaLiga.

<b>Economic sense</b>	<p>In relation to a certain operation, economic sense is understood if, in similar circumstances, another entity of comparable size operating in the same sector, and operating under normal market economy conditions, could have been induced to carry out the operation in question. In this sense, it must be demonstrated that the decision to carry out the transaction was adopted on the basis of economic assessment comparable to those that, in similar circumstances, a rational operator in a market economy would have carried out to determine the profitability or economic advantages of the transaction.</p>
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<b>Minimum Wage</b>	Minimum guaranteed remuneration, as established by the current Collective Bargaining Agreement for the professional football activity signed between LaLiga and the AFE (Spanish Footballers' Association) or regulations replacing it.
<b>Available Balance of the Limit on the Squad Cost</b>	The difference, whenever positive, between the current Cost at any time of the Squad and the Limit on the Cost allocated, where appropriate, and with the increase that has been authorised by the Validation Body, where relevant.
<b>Audit Exceptions</b>	For the purposes of these Standards, references to quantified exceptions in the Audit Report will be deemed to include all of the following cases, as defined in NIE 700 of 31 January 2013: <ul style="list-style-type: none"> <li>- Modified opinion: <ul style="list-style-type: none"> <li>o Opinion with exceptions, quantified or unquantified</li> <li>o Unfavourable opinion</li> <li>o Denial of opinion</li> </ul> </li> <li>- Limitations on the scope</li> </ul>
<b>Sports Sections</b>	The activities integrated in the Club/SAD of both the professional as well as the non-professional practice of sports other than eleven-a-side football, regardless of whether they should entail separate accounting or budgets to be drawn up on the same in accordance with the Law on Sport,
<b>Second Division A</b>	The lower category of the LaLiga Competition.
<b>Non-professional category</b>	Non-professional competition organised by the Real Federación Española de Fútbol.
<b>Budget Sub-Item(s)</b>	Any Sub-Item that has to be included on the LaLiga Budgets.
<b>Supercopa de España</b>	Competition organised by the RFEF in which the LaLiga champion and the Copa de S.M. El Rey champion play each other.
<b>UEFA Super Cup</b>	The European Competition of this name organised by UEFA (UEFA Supercup).
<b>T</b>	Season to which the prepared and submitted LaLiga Budgets refer.
<b>T+1, T+2, T+3...</b>	Seasons following Season T.
<b>T-1, T-2, T-3...</b>	Seasons prior to Season T.
<b>Coach</b>	Professional linked through an employment contract with the Club/SAD, who carries out any of the roles of Coach, Assistant Coach, Fitness Trainer, or other analogous or similar roles,
<b>Season</b>	Twelve-month period from 1 July each year to 30 June of the following year, coinciding with the Spanish football Season.

<b>Cash or cash equivalents</b>	Assets included in subgroup 57 of the General Accounting Plan, i.e. cash resources and convertible cash financial investments with a maturity not exceeding three months from the date of acquisition, which have no significant risks of change in value.
<b>UEFA</b>	Union of European Football Associations.
<b>UEFA Champions League</b>	The European Competition of this name.
<b>UEFA Europa League</b>	The European Competition of this name.
<b>Net Book Value</b>	Net amount at which an asset is recorded on the balance sheet after deducting its accumulated amortisation and any accumulated impairment losses that have been recorded.

ANNEX I.1 Estimate of the Profit and Loss Account for Season T-1 and information concerning said Account for Seasons T-2 and T-3

ANEXO I. PyG de T-1 - Fase Presupuesto						
identificador	Estimación de cierre de temporada	REAL T-3	REAL T-2	REAL 1º SEM T-1	ESTIMADO 2º SEM T-1	ESTIMADO T-1
PL.1	Importe neto de la cifra de negocios					
PL.1.1	Ingresos por competiciones (+)					
1000	Liga					
1010	Copa de SM el Rey					
1020	Supercopa de España					
1030	UEFA Europa League					
1040	UEFA Champions League					
1050	Supercopa de Europa					
1060	Otras competiciones y partidos amistosos					
1070	Otros					
PL.1.2 (1080)	Ingresos por abonados y socios (+)					
PL.1.6 (1081)	Ingresos por explotación de instalaciones (+)					
PL.1.3	Ingresos por retransmisión (+)					
1090	Real Decreto - Ley 5/2015					
1091	Competiciones Europeas (market pool)					
1092	Otros					
PL.1.4	Ingresos por comercialización (+)					
1100	Venta tiendas					
1110	Patrocinios					
1120	Otros					
PL.1.5	Ingresos por publicidad (+)					
1130	Publicidad estática					
1140	Publicidad dinámica					
1150	Otros					
PL.2	Aprovisionamientos y variación de existencias (+) / (-)					
1160	Consumos de material deportivo					
1170	Otros consumos					
1180	Variación de existencias					
1190	Otros					
PL.3	Otros ingresos (+)					
1200	Ingresos LaLiga					
1210	Subvenciones a la explotación y otros					
1220	Trabajos realizados para la entidad y otros					
1230	Cesiones					
1240	Otros					
1245	Ayuda al descenso					
PL.4	Gastos de personal no deportivo (-)					
1250	Sueldos y salarios del personal no deportivo					
1260	Indemnizaciones al personal no deportivo					
1270	Seguridad Social del personal no deportivo					
1280	Aportaciones a sistemas complementarios de pensiones y otras obligaciones con el personal					
1290	Cargas sociales					
1300	Otros					
PL.5	Gastos plantilla deportiva (-)					
PL.5.1	Gastos plantilla deportiva inscribible en LaLiga					
1310	Sueldos y salarios, plantilla deportiva inscribible					
1320	Indemnizaciones plantilla deportiva inscribible					
1330	Seguridad Social, plantilla deportiva inscribible					
1340	Gastos derechos de imagen a sociedades tenedoras de los mismos					
1350	Primas colectivas, plantilla deportiva inscribible					
1360	Otros					
PL.5.2	Gastos plantilla deportiva no inscribible en LaLiga					
1370	Sueldos y salarios, plantilla deportiva no inscribible					
1380	Indemnizaciones plantilla deportiva no inscribible					
1390	Seguridad Social, plantilla deportiva no inscribible					
1400	Gastos derechos de imagen a sociedades tenedoras de los mismos					
1410	Primas colectivas, plantilla deportiva no inscribible					
1420	Otros					
PL.6	Otros Gastos de explotación (-)					
1430	Servicios exteriores					
1440	Tributos					
1450	Pérdidas, deterioro y variación provisiones por oper. comerciales					
1460	Desplazamientos					
1470	Otros gastos de gestión corriente					
1475	Gastos por Ascenso de Categoría					
1480	Gastos de adquisición de jugadores inscribible en la LFP					
1490	Gastos de adquisición de jugadores no inscribible en la LFP					
1500	Otros					
PL.7	Amortizaciones (-)					
1510	Amortizaciones del inmovilizado material					
1520	Amortizaciones del inmovilizado inmaterial (excluido jugadores)					
1530	Amortización de derechos de adquisición de jugadores inscribible					
1540	Amortización de derechos de adquisición de jugadores no inscribible					
1550	Otras amortizaciones					
PL.8	Imputación de subvenciones de inmovilizado no financiero y otras (+)					
1560	Subvenciones de capital traspasadas al resultado					
1570	Otras					
PL.9 (1580)	Exceso de provisiones (+) / (-)					
PL.10	Deterioro y resultado por enajenaciones (+) / (-)					
PL.10.1	Beneficios procedentes del traspaso de jugadores					
1590	Trasposos					
1600	Otros					
PL.10.2	Pérdidas procedentes del traspaso de jugadores					
1610	Trasposos					
1620	Otros					
PL.10.3 (1630)	Beneficios procedentes del inmovilizado e ingresos excepcionales					
PL.10.4 (1640)	Pérdidas procedentes del inmovilizado y gastos excepcionales					
PL.11 (1650)	Otros Resultados					
PL.12	Resultado de explotación					
PL.13	Ingresos financieros (+)					
1660	De valores negociables y otros Instrumentos financieros					
1670	De Empresas del Grupo					
1680	De Entidades Deportivas					
1690	Otros					
1695	Diferencias de cambio (+)					
PL.14	Gastos financieros(-)					
1700	Por deudas con Entidades Financieras					
1705	Por deudas con Empresas del Grupo					
1710	Por deudas con Entidades Deportivas					
1720	Otros					
1730	Diferencias de cambio (-)					
PL.15 (1740)	Deterioro y resultado por enajenaciones de Instrumentos financieros (+) / (-)					
PL.16	Total Resultado Financiero					
PL.17	Resultado antes de impuestos					
PL.18 (1750)	Impuesto sobre beneficios (+) / (-)					
PL.19	Resultado del ejercicio (+) (-)					

ANNEX I.2. Estimated Balance Sheet at 30 June of T-1 and comparative figures for Seasons T-2 and T-3

Identificador	BALANCE - ACTIVO	Real T- 3	Real T- 2	Real T-1 Diciembre	Estimado T-1 Junio
BAL.1	<b>ACTIVO NO CORRIENTE</b>				
BAL.1.1	<b>Inmovilizado intangible</b>				
2020	<b>Inmovilizado intangible Deportivo</b>				
2031	Derechos de adquisición de jugadores inscribibles				
2032	Derechos de adquisición de jugadores no inscribibles				
2040	Otros				
BAL.1.2	<b>Inmovilizado intangible No Deportivo</b>				
2050	Desarrollo				
2060	Concesiones				
2070	Patentes, licencias, marcas y similares				
2080	Fondo de comercio				
2090	Aplicaciones informáticas				
2100	Otro inmovilizado intangible				
BAL.1.3	<b>Inmovilizado material</b>				
2110	Terrenos y construcciones				
2120	Instalaciones técnicas, y otro inmovilizado material				
2130	Inmovilizado en curso y anticipos				
BAL.1.4	<b>Inversiones inmobiliarias</b>				
2140	Terrenos				
2150	Construcciones				
BAL.1.5	<b>Invers. en emp. del grupo y asoc. a largo plazo</b>				
2160	Instrumentos de patrimonio				
2170	Créditos a empresas				
2180	Valores representativos de deuda				
2190	Derivados				
2200	Otros activos financieros				
BAL.1.6	<b>Inversiones financieras a largo plazo</b>				
2210	Instrumentos de patrimonio				
2220	Créditos a terceros				
2230	Entidades Deportivas deudoras por traspasos / cesiones				
2240	Entidades Deportivas deudoras por otros conceptos				
2250	Valores representativos de deuda				
2260	Derivados				
2270	Otros activos financieros				
2280 (BAL.1.7)	<b>Periodificaciones a largo plazo</b>				
2290 (BAL.1.8)	<b>Activos por impuesto diferido</b>				
BAL.2	<b>ACTIVO CORRIENTE</b>				
2300 (BAL.2.1)	<b>Activos no corrientes mantenidos para la venta</b>				
2310 (BAL.2.2)	<b>Existencias</b>				
BAL.2.3	<b>Deudores com. y otras ctas a cobrar</b>				
2320	Abonados y socios por cuotas				
2330	Entidades Deportivas deudoras por traspasos / cesiones				
2340	Entidades Deportivas deudoras por otros conceptos				
2350	Deudores varios				
2360	Personal deportivo				
2370	Personal no deportivo				
2380	Activos por impuesto corriente				
2390	Otros créditos con las Adm. Públicas				
2400	Otros deudores y cuentas a cobrar				
BAL.2.4	<b>Inversiones en empresas del grupo y asociadas a corto plazo</b>				
2410	Instrumentos de patrimonio				
2420	Créditos a empresas				
2430	Valores representativos de deuda				
2440	Derivados				
2450	Otros activos financieros				
BAL.2.5	<b>Inversiones financieras a corto plazo</b>				
2460	Instrumentos de patrimonio				
2470	Créditos a empresas				
2480	Valores representativos de deuda				
2490	Derivados				
2500	Otros activos financieros				
2510 (BAL.2.6)	<b>Periodificaciones a corto plazo</b>				
BAL.2.7	<b>Resectivo y otros activos líquidos equivalentes</b>				
2520	Tesorería				
2530	Otros activos líquidos equivalentes				
BAL.3	<b>TOTAL ACTIVO</b>				

Identificador	BALANCE - PATRIMONIO NETO Y PASIVO	Real T- 3	Real T- 2	Real T-1 Diciembre	Estimado T-1 Junio
BAL.4	<b>PATRIMONIO NETO</b>				
BAL.4.1	<b>Fondos propios</b>				
2540	Capital				
2550	Prima de emisión				
2560	Reserva legal y estatutarias				
2570	Otras reservas				
2580	Resultado de ejercicios anteriores				
2590	Otras aportaciones de socios				
2600	Resultado del ejercicio				
2610	(Dividendo a cuenta)				
2620	Otros instrumentos de patrimonio				
BAL.4.2	<b>Ajustes por cambios de valor</b>				
2630	Activos financieros disponibles para la venta				
2640	Operaciones de cobertura				
2650	Otros				
2660 (BAL.4.3)	<b>Subvenciones, donaciones y Legados recibidos</b>				
BAL.5	<b>PASIVO NO CORRIENTE</b>				
BAL.5.1	<b>Provisiones a largo plazo</b>				
2670	Obligaciones por prestaciones a largo plazo al personal				
2680	Actuaciones medioambientales				
2690	Provisiones por reestructuración				
2700	Otras provisiones				
BAL.5.2	<b>Deudas a largo plazo</b>				
2710	Deudas con entidades de crédito				
2720	Deudas con Clubes y/o SADs por traspasos/cesiones				
2730	Deudas con entidades deportivas				
2740	Acreedores por arrendamiento financiero				
2750	Personal deportivo				
2760	Personal no deportivo				
2770	Deudas concursales				
2780	Deudas con las administraciones públicas				
2790	Derivados				
2800	Otros pasivos financieros				
2810 (BAL.5.3)	<b>Deudas con empresas del grupo y asociadas</b>				
2820 (BAL.5.4)	<b>Pasivos por impuesto diferido</b>				
2830 (BAL.5.5)	<b>Periodificaciones a largo plazo</b>				
BAL.6	<b>PASIVO CORRIENTE</b>				
2850 (BAL.6.1)	<b>Provisiones a corto plazo</b>				
BAL.6.2	<b>Deudas a corto plazo</b>				
2860	Deudas con entidades de crédito				
2870	Deudas con Clubes y/o SADs por traspasos / cesiones				
2880	Acreedores por arrendamiento financiero				
2890	Derivados				
2910	Otros pasivos financieros				
2920 (BAL.6.3)	<b>Deudas con empresas del grupo y asociadas</b>				
BAL.6.4	<b>Acreedores comerciales y otras cuentas a pagar</b>				
2930	Acreedores				
2940	Deudas con entidades deportivas				
2950	Personal deportivo				
2960	Personal no deportivo				
2970	Otras deudas				
2980	Deudas concursales				
2990	Deudas con las Administraciones Públicas				
3000 (BAL.6.5)	<b>Periodificaciones a corto plazo</b>				
BAL.7	<b>TOTAL PATRIMONIO NETO Y PASIVO</b>				

ANNEX II: LALIGA INVESTMENTS AND DIVESTMENTS BUDGET

ANEXO II PRESUPUESTO DE INVERSIÓN					
Identificador	Presupuesto de Inversión	Real T- 3	Real T- 2	Estimado T-1	Presupuesto Temporada T
INV.8	Inv: Inmovilizado intangible Deportivo				
1770	Inv: Derechos de adquisición de jugadores inscribibles				
1780	Inv: Derechos de adquisición de jugadores no inscribibles				
1790	Inv: Otros				
1800 (INV.4)	Inv: Inmovilizado intangible No Deportivo				
1801 (INV.5)	Inv: Inmovilizado material				
1828	Inv: Inversiones inmobiliarias				
1802 (INV.6)	Inv: Invers. en emp. del grupo y asoc. largo plazo				
1803 (INV.7)	Inv: Inversiones financieras a largo plazo				
1804	Inv: Invers. en emp. del grupo y asoc. corto plazo				
1805	Inv: Inversiones financieras a corto plazo				
INV.1	Total inversiones (-)				
1870 (INV.9)	Desinv: Inmovilizado intangible Deportivo				
1843	Desinv: Derechos de adquisición de jugadores inscribibles				
1844	Desinv: Derechos de adquisición de jugadores no inscribibles				
1845	Desinv: Otros				
1871 (INV.10)	Desinv: Inmovilizado intangible No Deportivo				
1872 (INV.11)	Desinv: Inmovilizado material				
1855	Desinv: Inversiones inmobiliarias				
1873 (INV.12)	Desinv: Invers. en emp. del grupo y asoc.				
1874 (INV.13)	Desinv: Inversiones financieras a largo plazo				
1875	Desinv: Invers. en emp. del grupo y asoc. corto plazo				
1876	Desinv: Inversiones financieras a corto plazo				
INV. 2	Total desinversiones (+)				
INV.3	Superavit / (Déficit)				



# ANNEX III: THE LALIGA FINANCING BUDGET

## ANEXO III. PRESUPUESTO FINANCIACION

Identificador	Presupuesto de Financiación	Real T- 3	Real T- 2	Estimado T-1	Presupuesto Temporada T
1900	F.O. Entidades de crédito				
1902	F.O. Entidades Deportivas (excepto aplazamientos por las compras/ventas de jugadores)				
1903	F.O. Acreedores por arrendamiento financiero				
1930	F.O. Otros pasivos financieros				
1910	F.O. Empresas del grupo y asociadas				
<b>FIN.1</b>	<b>Total Financiación Obtenida (+)</b>				
<b>FIN.2.1</b>	<b>F.D.Obtenida en la presente temporada</b>				
1940	F.D.P. Entidades de crédito				
1942	F.D.P. Entidades deportivas				
1943	F.D.P. Acreedores por arrendamiento financiero				
1970	F.D.P. Otros pasivos financieros				
1950	F.D.P. Empresas del grupo y asociadas				
<b>FIN.2.2</b>	<b>F.D. Obtenida en la temporadas anteriores</b>				
1980	F.D.A. Entidades de crédito				
1982	F.D.A. Entidades deportivas				
1983	F.D.A. Acreedores por arrendamiento financiero				
2010	F.D.A. Otros pasivos financieros				
1990	F.D.A. Empresas del grupo y asociadas				
<b>FIN.2</b>	<b>Total Financiación Devuelta (-)</b>				
<b>FIN.3</b>	<b>Superavit / (Déficit)</b>				

## ANNEX IV: THE LALIGA TREASURY BUDGET

## ANEXO V. PRESUPUESTO DE TESORERÍA

[illegible]



LIGA NACIONAL DE FÚTBOL PROFESIONAL

*STANDARDS FOR THE PREPARATION OF THE BUDGETS OF CLUBS AND SADs*

**LALIGA REVENUES AND EXPENDITURE BUDGET**  
**DESCRIPTION OF BUDGET ITEMS AND VALUATION CRITERIA AND RULES ANNEX**

Item Number /Budget Sub-Item	GENERAL ACCOUNT ING PLAN ACCOUNT REFEREN CE and/or Sectoral Adaptatio n to SADs	NAME	DESCRIP TION	VALUATION LIMITATIONS AND RULES/CRITERIA (THOSE CORRESPONDING TO A PARTICULAR ITEM ARE APPLIED, UNLESS OTHERWISE STATED, TO ALL THE SUB-ITEMS COMPRISING IT)	ADDITIONA L DOCUMENTATION TO BE PROVIDED BY THE CLUB/SAD
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1.		Net Turnover	Sum of the Budget Sub-Items 1.1 to 1.6.	<p>In cases of transactions which are later described as between Related Parties, the following shall not be taken into account as Revenue to include in the budget:</p> <ul style="list-style-type: none"> <li>a) Revenue deriving from contracts subscribed by the Club/SAD with Related Parties as compensation related to the participation of a Player - temporarily ceded or whose Federative Rights are subject to a repurchase option – in matches in competitions the Club/SAD takes part in and sport training by the Club/SAD, or any other concept of sponsorship or similar in reference to the Player. It includes in any case the concepts which are known as "<i>development fees</i>".</li> <li>b) Revenue received for any concept by the Club/SAD from another Club/SAD which is the temporary cessor of Players' Federative Rights to the former, or definitive cessor thereof, in the latter case subject to a repurchase option in favour of the cessor Club/SAD.</li> </ul>	

1.1.		<b>Revenue from Competitions (+)</b>	<p>Revenue from ticket sales for matches held at the Club/SAD stadium and other concepts outlined in the Sub-Items.</p> <p>To be broken down for each of the Competitions stated in the Sub-Items as well as for the revenue from friendly matches.</p> <p>Does not include revenue from subscribers and memberships, which will be included in Item 2.</p>		
1.1.1.	700	LaLiga		<ol style="list-style-type: none"> <li>1. The value of this Item may not exceed the higher of the actual amounts obtained by the Club/SAD in any of Seasons T-3 to T-1 in which it participated in the same LaLiga Competition Sports Category in which it expects to in Season T.</li> <li>2. If the reference Season is T-1, the Estimated Revenue for the same will be calculated.</li> <li>3. If the Club/SAD has not played in any of the Seasons T-3 to T-1 in the division it will be playing in in T, the Club/SAD may formulate a <b>Valuation Alternative</b>.</li> </ol>	
1.1.2.	701	Copa de S.M. el Rey.		<ol style="list-style-type: none"> <li>1. Regarding the estimate on the knockout phases to be passed when competing in the Copa S.M. El Rey Competition, the assumption for the valuation of this Item may not include passing a knockout phase that has not been passed in either of Seasons T- 1 and T-2 in said Competition, nor a greater volume of revenue or contribution to the Operating Profit/Loss than has been obtained in either of these two Seasons.</li> <li>2. Clubs/SADs that will participate in Second Division A in Season T and that, in Season T-1 or T-2 have played, in the Copa S.M. El Rey, a knockout phase against a Club/SAD classified among the six (6) top clubs of the First Division in Season T-2, will have a limit on the revenue budgeted for ticket office sales for said knockout phase, which will not exceed fifteen per cent (15%) of the amount actually collected for this concept in Season T-1 or T-2.</li> </ol> <p><i>Example:</i></p> <p><i>Club/SAD that participates in Second Division A in the 2014-2015 Season and faces, in the round of 16 of the Copa S.M. El Rey in said Season, the LaLiga Champion for the 2013-2014 Season and obtains ticket office sales of 800,000 euros, excluding IVA (VAT).</i></p>	

				For the 2015-2016 season, if it participates in Second Division A, it may only budget as ticket office sales for the Copa S.M. El Rey corresponding to the knockout round of 16 the amount of 15% of 800,000 euros, i.e. 120,000 euros.	
1.1.3.	703	Supercopa de España		<ol style="list-style-type: none"> <li>When, as of the date of submitting the LaLiga Budgets, the Club/SAD may mathematically compete in the Supercopa de España Competition in Season T, it will prepare alternative revenues and expenditure arising from such participation, the net balance of which may not make a positive contribution to the Operating Profit/Loss that is greater than that effectively created by its participation in the aforementioned Competition in any of the Seasons after T-3.</li> <li>In the event that this has not been the case, i.e. that the Club/SAD has not competed in said competition in Seasons after T-3, the Club/SAD may draw up a <b>Valuation Alternative</b>.</li> </ol>	
1.1.4.	702	Revenue from European Competitions.	Revenue arising from participating in any European Competition. (This item includes ticket office sales and prizes and <i>market pool</i> . If the Club/SAD has not historically included <i>market pool</i> revenues in this item, it must include them in item 1.4.2)	<p>Common Notes on Revenue from European Competitions.</p> <ol style="list-style-type: none"> <li>In accordance with the revenue sharing that the organiser of the European Competition has in effect on the date of submission of the LaLiga Budgets, the amount of this Item will be calculated as an amount that may not exceed the average that, according to the UEFA calculator of the LaLiga Data Finance Clubs dashboard, would correspond according to the Three (3) best sports classifications obtained by the Club/SAD in the Competition in question from Season T-3 to Season T-1 (in the case of Season T-1, the <b>Estimated Amount</b> will be used).</li> <li>The same procedure will be followed if the Club/SAD has only participated twice in the Competition in question and within the period stated.</li> <li>In the case that the Club/SAD has participated on less than two (2) occasions in said Competition during the period stated in Rule 1, it may submit a <b>Valuation Alternative</b>.</li> </ol>	
1.1.4.1.	702	UEFA Europa League		<ol style="list-style-type: none"> <li>See Item 1.1.4. Rules applicable to this Sub-Item.</li> <li>In the case that a Club/SAD intends to estimate the revenue from the UEFA Europa League Competition for Season T using as a reference a classification obtained in this Competition in the period between Seasons T-3 and T-1 in which it would have been incorporated in the same coming from the UEFA Champions League Competition, the calculation of the revenues to be budgeted will be done using the UEFA calculator of the LaLiga Data Finance Clubs dashboard as if it had reached the sports classification it intends to use without going through the UEFA Champions League Competition.</li> </ol> <p><i>Example:</i></p>	

				<p><i>For a Club/SAD that is going to compete in the UEFA Europa League in T: In Season T-3 it reached the Europa League semi-finals, but coming from the first phase of the Champions League competition.</i></p> <p><i>In Season T-2 it reached the last eight of the UEFA Europa League, and did so without going through the first phase of the Champions League competition.</i></p> <p><i>To obtain the limit of revenue to be budgeted in Season T from participation in the UEFA Europa League Competition, the following procedure shall apply:</i></p> <p><i>The revenue that UEFA has in effect, respectively, for reaching the semi-finals and the last eight of the Europa League Competition will be taken and the average simply calculated, the result of which will be the maximum amount to be budgeted-</i></p>	
1.1.4.2.	702	UEFA Champions League		See Note on Item 1.1.4	
1.1.4.3.	702	UEFA Super Cup		<ol style="list-style-type: none"> <li>When, as of the date of submitting the LaLiga Budgets, the Club/SAD may mathematically compete in the UEFA Super Cup Competition in Season T, it will prepare alternative revenues and expenditure arising from such participation, the net balance of which may not make a positive contribution to the Operating Profit/Loss that is greater than that effectively created by its participation in the aforementioned Competition in any of the Seasons after T-3.</li> <li>In the event that this has not been the case, i.e. that the Club/SAD has not competed in said competition in Seasons after T-3, the Club/SAD may draw up a <b>Valuation Alternative</b>.</li> </ol>	
1.1.5.	703	Other competitions and friendly matches		The amount to be budgeted may not exceed the average of the actual amounts for Seasons. T-3 and T-2 plus the Estimate for Season T-1	
1.1.6		Other			
1.2.	710/711	<b>Revenue from subscribers and members (+)</b>	Includes revenues from member fees and subscribers that are not in respect of tickets or similar.	<ol style="list-style-type: none"> <li>The budgeted amount may not exceed the <b>Estimated Amount</b> for Season T-1</li> <li>Special rules: <ol style="list-style-type: none"> <li>In the case that the Club/SAD forecasts an increase in revenue from season tickets, as a result of the increased capacity of the Stadium where they play their matches, it shall explain and justify in detail the origin of such increase.</li> <li>In the event that, in Season T, the Club/SAD is going to participate in a LaLiga Category other than the one it participated in during Season T-1,</li> </ol> </li> </ol>	In the event that Special Rules 2.a and 2.b on this Item are applicable, the Club/SAD shall submit the explanation and justification of the increase sought.



				for the purposes	
				<p>of calculating the limit on the budgeted revenue from season ticket holders, that of the last Season in which the Club/SAD participated in the same category as that budgeted for will be taken as the reference, from T-3 to T-1.</p> <p>c. If the above circumstance had not occurred or occurred before Season T-3, the Club/SAD will submit a <b>Valuation Alternative</b>, which will be assessed by the Validation Body, taking into account economic, demographic, geographic etc. ratios of Clubs/SADs with similar ratios.</p> <p>d. Without prejudice to the general powers of the Validation Body, this body may make Adjustments to budgeted revenue under this Item if it has information that, reasonably, evidences that the revenues will be lower than those resulting from applying the Rules set out above.</p> <p><i>Example: If a Club earned 1,000,000 euros from season tickets in the 2014-15 Season, and one of its conditions of sale consisted of the application to the acquirer of a discount of 50% for the 2015-16 Season, the maximum revenue from season tickets it will be permitted to forecast for this final Season will be 500,000 euros.</i></p>	Standard Reporting Form 101 will be used
1.3.	712	Revenue from the use of facilities (+)	Revenue generated from the sale of access tickets and/or the transfer price of sports facilities, for shows or activities other than sports entertainment for football, of their first team and/or reserve teams	<ol style="list-style-type: none"> <li>1. The Club/ SAD may not include income greater than the average of the amounts for Seasons T-3, T-2 and T-1, as revenue is obtained.</li> <li>2. Special rule: a Club/SAD may only present revenue greater than that defined in point 2 if it appropriately justified, and so a <b>Valuation Alternative</b> should be presented.</li> <li>3. Clubs/SADs which have previously included this revenue in another item should include it in item 1.3 from the time when these rules come into force.</li> </ol>	

1.4.	707	<b>Revenue from broadcasting (+)</b>	Includes revenue arising from the sale of broadcasting rights to television and radio operators as well as to new media and other broadcasting media, in connection with LaLiga, Copa, UEFA and other Competitions and friendly matches. (Sum of Sub-Items 1.4.1, 1.4.2). Revenue arising from the <i>market pool</i> for European competitions		
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			should be calculated in item 1.1.4 except for Clubs/SADs which have previously included said revenue in item 1.4.2.		
1.4.1.		Revenue from marketing rights to exploit audiovisual content in accordance with Royal Decree-Law 5/2015 of 30 April.		<ol style="list-style-type: none"> <li>1. The amount of this Item will be estimated directly by <b>LaLiga</b> according to the criteria and circumstances reasonably applicable, as the manager of the marketing of these rights and their distribution,</li> <li>2. <b>LaLiga</b> will facilitate the valuation of the Item for the Clubs/SADs within a period ending 15 April Season T-1.</li> <li>3. <b>LaLiga</b> will make the Adjustments that are appropriate as a result of the distribution criteria that are applicable and known or modified over those included in the estimate after 15 April T-1.</li> <li>4. In any case, the amount of "<i>market pool</i>" revenue will be valued in accordance with the rules of Item 1.1.4.</li> </ol>	
1.4.2.		Revenue from sharing rights to exploit audiovisual content on European Competitions (market pool).	Revenue arising from the <i>market pool</i> for European competitions should be calculated in item 1.1.4 except for Clubs/SADs which have previously included said revenue in item 1.4.2.		
1.4.3.		Other revenue from rights to exploit audiovisual content not included in Sub-Items 1.4.1 and 1.4.2.		<ol style="list-style-type: none"> <li>1. Only the amount justified by firm Contracts will be accepted.</li> <li>2. In the event that the Contract provides for the possibility of obtaining a fixed income and additional income under certain variables, the assumptions supporting the forecast revenue under the same may not be more optimistic than the average revenue obtained in Seasons T-3 and T-1, provided that the Club/SAD played in the division it plans to play in in T.</li> <li>3. If the Club/SAD has not played in the division contemplated for Season T in Season T-3, T-2 or T-1, the <b>Valuation Alternative</b> presented should be approved by the Validation Body.</li> </ol>	The Club/SAD must present a certificate from the Authorised Representative for the purposes of justifying the amount budgeted and the existence of the contract signed, on Standard Reporting Form 102. Note (4)
1.5.	706	Revenue from marketing (+)	Sum of Items 1.5.1, 1. 5.2 and 1.5.3.	<ol style="list-style-type: none"> <li>1. The Validation Body may apply an objective system for assessing this revenue, based on audiences, monitoring of the Club/SAD's social networks, comparative market engagement or other means, validated</li> </ol>	

				<p>by an independent expert which, for Club/SADs participating in the Second Division in Season T, sets a maximum range of revenue from marketing or, where appropriate, request an assessment from an independent expert.</p> <p>2. If compensation in kind is agreed, this will be taken into account to determine revenue.</p>	
1.5.1.		Shop sales.	Revenues arising from sales in official shops or any other distribution channel (authorised distributors, online, museum etc.).	<p>1. The amount of this Item may not exceed the actual amount obtained in the last Season in which the Club/SAD had participated in the same category from Season T-3 to T-1 as that considered for Season T.</p> <p>2. If it was Season T-1, the Estimated Amount for Season T-1 will be taken into account.</p> <p>3. If the Club/SAD did not play in Seasons T-3 to T-1 in the division it plans to play in in T, it shall present a <b>Valuation Alternative</b> which should be approved by the Validation Body.</p>	
1.5.2.		Sponsorships.	Revenue from Sponsorship Contracts and similar.	<p>1. The amount of the net monetary benefit in favour of the Club/SAD will be computed. In other words, from the total amount in favour of the club, the amount of the consideration to be made, if applicable, by the Club/SAD, as well as the costs directly attributable to the contract, will be deducted. (<i>For example, for sponsorship in which the Club/SAD assigned assets valued at €1m, whose direct cost for the Club/SAD amounts to €0.1m; and receives €0.8m in cash and €0.2m as a valuation for the use of vehicles, a total of €1m will be budgeted as income and €0.3m as expenses</i>). The same rule will apply to Matches 1.6.</p> <p>2. Budgeted revenue that is not justified by firm Contracts, the contractual income for which does not cover at least ninety-five per cent (95%) of the amount budgeted under this Item will not be accepted.</p> <p>3. In the event that the Contract provides for the possibility of obtaining a fixed income and additional income under certain variables, the assumptions supporting the forecast revenue under the same may not be more optimistic than the average revenue obtained in Seasons T-2 and T-1, provided that the Club/SAD played in the division it plans to play in T.</p> <p>4. In the event that the Club/SAD had not participated in the category considered for Season T in either of Seasons T-2 or T-1, the Valuation Alternative submitted by the Club/SAD must have the approval of the Validation Body.</p>	The Club/SAD must present a certificate from the Authorised Representative for the purposes of justifying the amount budgeted and the existence of the contract signed, on Standard Reporting Form 102. Note (4)

1.5.3.		Other	Revenue from marketing other rights not included in Sub-Items 1.5.1 and 1.5.2.	<ol style="list-style-type: none"> <li>1. Budgeted amounts that are not justified by firm Contracts, the contractual income for which does not cover at least ninety-five per cent (95%) of the amount budgeted under this Sub-Item will not be accepted.</li> <li>2. In the event that the Contract provides for the possibility of obtaining a fixed income and additional income under certain variables, the assumptions supporting the forecast revenue under the same may not be more optimistic than the average revenue obtained in Seasons T-2 and T-1, provided that the Club/SAD played in the division it plans to play in in T.</li> </ol>	The Club/SAD must present a certificate from the Authorised Representative for the purposes of justifying the amount budgeted and the existence of the contract signed.
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				3. 3. In the event that the Club/SAD had not participated in the Category considered for Season T in either of Seasons T-2 or T-1, the <b>Valuation Alternative</b> submitted by the Club/SAD must have the approval of the Validation Body.	Standard Reporting Form 102 Note (4)
<b>1.6.</b>	<b>708</b>	<b>Revenue from advertising (+)</b>	<p>Revenue from advertising exploited directly by the Club/SAD or through the transfer to third parties.</p> <p>Sum of Sub-Items 1.6.1, 1.6.2. and 1.6.3.</p>	<p>1.- The Validation Body may apply an objective system to assess this revenue (accounts 706 and 708 of the sectoral adaptation by SADs to the General Accounting Plan), based on audiences, monitoring of the Club/SAD's social networks, comparative market engagement or other means, validated by an independent expert which, for Club/SADs participating in the Second Division in Season T, sets a maximum range of revenue from marketing or, where appropriate, requests an assessment from an independent expert.</p> <p>2.- If compensation in kind is agreed, this will be taken into account to determine revenue-.</p> <p>3.- Budgeted revenue that is not justified by firm Contracts, the contractual income for which does not cover at least ninety-five per cent (95%) of the amount budgeted under this Item will not be accepted.</p> <p>4.- In the event that the Contract provides for the possibility of obtaining a fixed income and additional income under certain variables, the assumptions supporting the forecast revenue under the same may not be more optimistic than the average revenue obtained in Seasons T-2 and T-1, provided that the Club/SAD played in the division it plans to play in in T.</p> <p>5.- In the event that the Club/SAD had not participated in the category considered for Season T in either of Seasons T-2 or T-1, the Valuation Alternative submitted by the Club/SAD must have the approval of the Validation Body.</p>	The Club/SAD must present a certificate from the Authorised Representative for the purposes of justifying the amount budgeted and the existence of the contract signed, on Standard Reporting Form 102 Note (4)
<b>1.6.1.</b>	7080	Static advertising.	Revenue from advertising that is conveyed through fixed media (billboards, posters, brochures, magazines, newspapers, publications, canopies...).	Rules for Item 1.6 are applied.	
<b>1.6.2.</b>	7081	Dynamic advertising.	Revenue from advertising that is conveyed through communication media (radio, television, Internet...).	Rules for Item 1.6 are applied.	
<b>1.6.3.</b>	7082	Other		Rules for Item 1.6 are applied.	
<b>1.7</b>		<b>Other revenue (+)</b>	<b>Sum of the amounts of Sub-Items 1.7.1. to 1.7.6.</b>		

1.7.1.	759	<b>LaLiga</b> revenue.	Economic rights that may correspond to the Club/SAD from its membership of LaLiga under Art. 59.4 of its Articles of Association. Includes the share in revenue from Quiniela (football pools), sponsorships and licences, UEFA or any other concept, in the manner and for the amounts agreed for	The amount of this Item will be determined directly by LaLiga itself (Validation Body).	
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			Season T by the competent bodies of LaLiga.		
1.7.2.	740	Operating subsidies and other.		All the revenue that is included in this Sub-Item must be justified by the relevant contracts or agreements.	The Club/SAD will submit a certificate from the Authorised Representative certifying the existence of the relevant contract and/or agreement, as well as the expected revenue and compliance with the conditions for payment of the subsidy. Standard Reporting Form 103 Note (4)
1.7.3.	731/732	Work performed for the entity and others.	Offsetting item for the expenses incurred by the Club for its fixed assets, using its equipment and staff, which are activated.	The amount of this Sub-Item will be justified.	The Club/SAD will submit a certificate from the Authorised Representative certifying the amount of this Sub-Item in accordance with Standard Reporting Form 104 (Note 4)
1.7.4.	757	Temporary cessions of Players' Federative Rights.	Revenue from temporary cessions of Players' Federative Rights.	Revenue from the temporary cession of Players' Federative Rights will be treated as an element that will be part of the Registrable Squad Cost, calculated as the lower cost of the same, which will be incorporated in the corresponding Standard Reporting Form with a negative sign, in accordance with the provisions of Article 39 of these Standards, which regulates the "Squad Cost"	
1.7.5.	759	Others.	Includes revenue from other various activities, such as leases, hospitality, lotteries, parking, insurance payments etc.	1. With respect to the accounts under this Item, an amount greater than the average for the last three Seasons will not be accepted. (T-3, T-2 and T-1), using <b>Estimated Revenue</b> for Season T-1, taking into account the seasons in which the Club/SAD played in the division which it plans to play in in T.	



				2. If the Club/SAD has not played in the division contemplated for Season T in Season T-3, T-2 or T-1, the <b>Valuation Alternative</b> presented should be approved by the Validation Body.	
1.7.6		Aid for relegation	Includes funds received for being relegated to a lower division.	The amount of this Item should be estimated directly by <b>LaLiga</b> .	
2.		<b>Non-sports staff costs (-)</b>	<b>Sum of Non-Sports Staff costs. Sub-Items 2.1 to 2.6.</b>		
2.1.	641	Wages and salaries of Non-Sports Staff.	Wages, salaries and other remuneration, including benefits in kind, for Non-Sports Staff.	The amount budgeted for this Sub-Item may not be less than ninety-five (95) per cent of the <b>Estimated Amounts for Season T-1</b> . If the Club/SAD has not played in the division contemplated for Season T in Season T-1, the <b>Valuation Alternative</b> presented should be approved by the Validation Body.	
2.2.	6421	Compensation to Non-Sports Staff.	Includes amounts to pay compensation for damages or dismissal as well as amounts arising from any kind of agreement through which the employment relationship is terminated. For example, compensation for unilateral termination by the club, compensation for termination by mutual agreement and legal, judicial or conventionally established amounts as compensation for dismissal of an employee etc.	The amount budgeted by the Club/SAD, which must have the approval of the Validation Body, will be accepted.	
2.3.	6431	Social security of non-sports staff.	Social Security payments.	The amount budgeted for this Sub-Item may not be less than ninety-five (95) per cent of the <b>Estimated Amounts for Season T-1</b> . If the Club/SAD has not played in the division contemplated for Season T in Season T-1, the <b>Valuation Alternative</b> presented should be approved by the Validation Body.	
2.4.	6441	Contributions to supplementary pension systems and other obligations to non-sports staff.	Contributions by the Club/SAD to supplementary pension systems and other obligations to Non-Sports Staff.	The amount budgeted for this Sub-Item may not be less than ninety-five (95) per cent of the <b>Estimated Amounts for Season T-1</b> .  If the Club/SAD has not played in the division contemplated for Season T in Season T-1, the <b>Valuation Alternative</b> presented should be approved by the Validation Body.	

2.5.		Staff welfare costs.	Other staff welfare costs arising from individual employment contracts or collective bargaining agreements	<p>The amount budgeted for this Sub-Item may not be less than ninety-five (95) per cent of the <b>Estimated Amounts for Season T-1</b>.</p> <p>If the Club/SAD has not played in the division contemplated for Season T in Season T-1, the <b>Valuation Alternative</b> presented should be approved by the Validation Body.</p>	
2.6.	6491	Others.	Concepts that constitute Non-Sports Staff costs that are not included under Items 2.1 to 2.5 above.	The amount budgeted by the Club/SAD, which must have the approval of the Validation Body, will be accepted.	
3.		<b>Squad Costs (-)</b>	Squad Costs. Sum of Sub-Items 3.1 and 3.2.	<ol style="list-style-type: none"> <li>1. All concepts referred to in Article 39 of these Standards will be included in the costs under this Item.</li> <li>2. The rules laid down in the aforementioned Article 39 will also be applied as Valuation Rules.</li> <li>3. The General Accounting Plan groups of accounts and/or Sectoral Adaptation to SADs specified in the corresponding column are merely informative.</li> <li>4. Therefore, all other expenditure accounts are covered under this Item that include any kind of remuneration to the Squad or to companies holding the image rights of any member thereof or cost related to said Squad, not included in the groups of accounts outlined, decreased by the revenue from the temporary cession of Players (757).</li> <li>5. In accordance with the purposes of these Standards, an amount for this Item will only be accepted which, once the budgeted figures for the other revenues, expenditure, profit and losses have been validated, meets the <b>Budgetary Break-even Point</b>, as defined in Article 40 of these Standards, and without prejudice to the limits which may arise from the requirements to be met by the LaLiga Treasury Budget.</li> </ol>	
3.1.		Registrable Squad Squad.	Registrable Squad Costs. Sum of Sub-Items 3.1.1 to 3.1.6.		
3.1.1.	640	Wages and salaries, Registrable Squad	Fixed and variable remuneration, image rights, individual bonuses, expenses, incentives, benefits in kind (housing, vehicles, insurance, pension plans etc.) and irregular incomes for the Registrable Squad.		

3.1.2.	6420	Registrable Squad Compensation.	Includes amounts to pay compensation for damages or dismissal as well as amounts arising from any kind of agreement through which the employment relationship is terminated. For example, compensation for unilateral termination by the club, compensation for termination by mutual agreement and legal, judicial or conventionally established amounts as compensation for dismissal of an employee etc.		
3.1.3.	6430	Social security, Registrable Squad.	Social Security payments.		
3.1.4.		Expenses for image rights to companies holding the same.	Amount of the rights for the commercial or economic exploitation of the Player/Coach's image payable in favour of third parties (image companies and any other natural or legal persons) as assignees and holders of said rights for the aforementioned commercial and economic exploitation.		
3.1.5.	6403/6404	Collective bonuses, Registrable Squad.	Bonuses accrued collectively in favour of members of the Registrable Squad because of achieving the team's sporting objectives in question.	<ol style="list-style-type: none"> <li>1. The amount to be budgeted for this Sub-Item on Collective Bonuses will be calculated according to the assumptions on which the LaLiga Budget is based and may not be less than NINETY (90) PER CENT of those of the higher amount that have been negotiated, recognised and/or accrued in any of the THREE (3) Seasons prior to Season T for the same concept, and category, except for justification accepted by the Validation Body, which in no case may entail a reduction of more than FIFTY (50) per cent.  (For Season T-1 <b>Estimated Amount</b>).</li> <li>2. If the Club/SAD has not played in the division contemplated for Season T in Season T-3, T-2, T-1, the <b>Valuation Alternative</b> presented should be approved by the Validation Body.</li> </ol>	
3.1.6.	6409	Others.	Concepts that constitute Registrable Squad Cost that are not included in the previous Sub-Items 3.1.1 to 3.1.5.	Including the cost concepts that are outlined in Art. 39 of the Standards.	

3.2.	64	Non-Registrable Squad Squad.	Non-Registrable Squad Costs. Sum of Sub-Items 3.2.1 to 3.2.6.		
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<b>3.2.1.</b>	640	Wages and salaries, Non-Registrable Squad.	Fixed and variable remuneration, image rights, individual bonuses, expenses, incentives, benefits in kind (housing, vehicles, insurance, pension plans etc.) and irregular incomes for the Non-Registrable Squad.		
<b>3.2.2.</b>	6420	Non-Registrable Squad Compensation.	Includes amounts to pay compensation for damages or dismissal as well as amounts arising from any kind of agreement through which the employment relationship is terminated. For example, compensation for unilateral termination by the club, compensation for termination by mutual agreement and legal, judicial or conventionally established amounts as compensation for dismissal of an employee etc.		
<b>3.2.3.</b>	6430	Social security, Non-Registrable Squad.	Social Security payments.		
<b>3.2.4.</b>		Expenses for image rights to companies holding the same.	Amount of the rights for the commercial or economic exploitation of the image of the Non-Registrable Squad members payable in favour of third parties (image companies and other natural or legal persons) as assignees and holders of said rights for their commercial and economic exploitation.		
<b>3.2.5.</b>	6403/6404	Collective bonuses, Non-Registrable Squad.	Bonuses accrued collectively in favour of Players because of achieving the team's sporting objectives in question.		
<b>3.2.6.</b>	6409	Others.	Concepts that constitute Non-Registrable Squad costs that are not included in previous Sub-Items 3.2.1 to 3.2.5.		



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4.		Other operating expenses (-)	Sum of Sub-Items 4.1 to 4.9.		
4.1.	620/621/622/ 623/624/625/ 626/627/628/ 629	External services.	<p>Includes communication expenses (telephone, Internet etc.), leases, repairs and maintenance, services of independent professionals (lawyers, barristers, bankruptcy administrators, notaries, registrars, auditors, economists, architects etc.), non-sports staff displacements, insurance premiums, banking and similar services, advertising, publicity and public relations.</p> <p>It does not include any costs related to the acquisition of Players, which will be included in Items 4.6 or 4.7, as appropriate.</p>	<p>The Item corresponding to External Services, no reductions with respect to the <b>Estimated Amount for Season T-1</b> will be accepted.</p> <p>If the Club/SAD has not played in the division contemplated for Season T in Season T-1, the <b>Valuation Alternative</b> presented should be approved by the Validation Body.</p>	
4.2.	631	Taxes.	Includes Property Tax, Trade Tax, Motor Vehicle Tax, Tax on the Increase in the Value of Urban Land (Municipal capital gains) and municipal taxes (waste collection, advertising, occupation of public roadways, licences for no-parking areas, security and surveillance etc.).	<p>The amount budgeted for this Sub-Item may not be less than ninety-five (95) per cent of the <b>Estimated Amounts for Season T-1</b>.</p> <p>If the Club/SAD has not played in the division contemplated for Season T in Season T-1, the <b>Valuation Alternative</b> presented should be approved by the Validation Body.</p>	
4.3.	650	Losses, impairment and variations in provisions due to commercial transactions.	Loss and impairments of any element of fixed assets that, in accordance with the General Accounting Plan and the criteria of reasonableness, should be posted. Variations in provisions contributed.	The amount budgeted by the Club/SAD will be accepted, although it may be adjusted by the Validation Body.	
4.4.	654	Displacements.	Transportation costs, hotel stays and other expenses incurred as a result of the displacement of the sports teams for playing games, holding pre-match meetings etc.	<p>The Item corresponding to Displacements, no reductions with respect to the <b>Estimated Amount for Season T-1</b> will be accepted.</p> <p>If the Club/SAD has not played in the division contemplated for Season T in Season T-1, the <b>Valuation Alternative</b> presented should be approved by the Validation Body.</p>	

4.5.	659	Other current management expenses.	Includes arbitration rights, licensing costs for Players and Trainers and disciplinary measures.	<p>The amount budgeted for this Sub-Item shall not be subject to any reduction in the Estimated Amount for Season T-1.</p> <p>If the Club/SAD has not played in the division contemplated for Season T in Season T-1, the <b>Valuation Alternative</b> presented should be approved by the Validation Body.</p>	
4.6		Expenses for promotion	Fees to pay as a result of promotion	Includes fees that Clubs/SADs promoted from Second Division A to the First Division and from the Non-professional category to Second Division A have to reimburse LaLiga for due to the promotion obtained, and which they had received from <b>LaLiga</b> as compensation for relegation before said promotion.	
4.7.	6530	Registrable Squad Player acquisition expenses.	Includes all the transaction expenses related to the acquisition of Federative Rights or contracting the services of a Player or Trainer for the Registrable Squad, such as the fees of agents, representatives or brokers, whether natural or legal persons, whatever the form and nomenclature of the agreement from which such expenses arise.		
4.8.	6531	Non-Registrable Squad Player acquisition expenses.	Includes all the transaction expenses related to the acquisition of Federative Rights or contracting the services of a Player or Trainer for the Registrable Squad, such as the fees of agents, representatives or brokers, whether natural or legal persons, whatever the form and nomenclature of the agreement from which such expenses arise.		
4.9.	659	Others.			
5.		<b>Procurements and variations in stock (+) / (-)</b>	<b>Algebraic sum of Items 5.1., 5.2., 5.3. and 5.4.</b>	<ol style="list-style-type: none"> <li>The budgeted expenses for each of the Sub-Items of this Item may not be less than Ninety-five (95) per cent of the Estimated Amounts for Season T-1.</li> <li>If the Club/SAD has not played in the division contemplated for Season T in Season T-1, the <b>Valuation Alternative</b> presented should be approved by the Validation Body.</li> </ol>	The justification referred to in Rule 2 on this Item will be drawn up in accordance with



				3. The amount of the purchases of products to be sold in the Club/SAD's official shops must be justified with an explanation of the assumptions on which this amount is based in conjunction with the revenue budgeted from sales in the Club/SAD's aforementioned official shops.	Standard Reporting Form 105
5.1.	600	Purchases of sports equipment.	Includes purchases of sports equipment. Sports equipment includes the equipment intended for use and consumption by the Club, as well as that intended for sale.	Rules for Item 5 are applied	
5.2.	601/602	Other consumption.	Procurement of medicine, advertising materials, merchandising Advertising materials and merchandising includes all products intended for sale or as gifts, such as pennants, badges, toys etc.	Rules for Item 5 are applied	
5.3.	603	Others.	Other procurement includes fuel, spare parts, office supplies and any others not included in Sub-Items 1.6.1 to 1.6.2.	Rules for Item 5 are applied	
5.4.	610/611/612/613	Variations in stock (+/-)		Rules for Item 5 are applied	
6.		<b>Amortisation (-)</b>	The Standards of the General Accounting Plan will be applied.		
6.1.	682	Amortisation of tangible fixed assets.		An allocation to Amortisation less than Ninety-five per cent (95%) of the <b>Estimated allocation for Season T-1</b> may not be budgeted.  If the budgeted allocation to the amortisation of the tangible fixed asset acquisition costs consisting of sports facilities is lower than 95% of that recorded in Season T-1, the corresponding amount must be justified by the Club/SAD.	Standard Reporting Form 106
6.2.	6811	Amortisation of intangible assets (excluding Players).		An allocation to Amortisation less than ninety-two per cent (95%) of the <b>Estimated allocation for Season T-1</b> may not be budgeted.	
6.3.	6810	Amortisation of Registrable Squad Player			

		acquisition rights.			
6.4.	6812	Amortisation of Non-Registrable Squad Player acquisition rights.			
6.5.		Other amortisation.		An allocation to Amortisation less than Ninety-five per cent (95%) of the <b>Estimated allocation for Season T-1</b> may not be budgeted.	
7.		<b>Allocation of grants for non-financial fixed assets and others (+)</b>	The Standards of the General Accounting Plan will be applied.		
7.1.	775	Grants for capital transferred to profit/loss			
7.2.		Other.			
8.	79	<b>Excess provisions (+) / (-)</b>	The Standards of the General Accounting Plan will be applied.		
9.		<b>Impairment and income from disposals (+/-)</b>	The Standards of the General Accounting Plan will be applied.  Algebraic sum of Sub-Items 9.1 to 9.4.		
9.1.	776	Profits from the Transfer of Players' Federative Rights. (+)	Profits earned as a result of the Transfer of Players' Federative Rights.  Algebraic sum of Sub-Items 9.1.1. and 9.1.2.	1. Calculated as follows: Profit=  (+) Net price agreed.  (-) Net Book Value of the Player's Federative Rights at the time of their Transfer.  (-) Amount of transaction expenses and others associated with the Transfer  (-) Amount of the implicit interest on the deferred payment of the Price, where appropriate.	The certificate from the Authorised Representative stating the profits/losses to 31 January of Season T-1, will be submitted as well. Standard Reporting Form 107



					Note (4)
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				<p>2. The amount of this Sub-Item may not exceed the result of the difference between</p> <ol style="list-style-type: none"> <li>As the minuend: The average profits for this concept earned in the Three (3) Seasons prior to Season T (T-3, T-2 and T-1), and</li> <li>As the subtrahend: The average of the three Seasons prior to T of the accounts including the Losses from the Transfer of Federative Player Rights and/or losses for any reason that is concerning contracts with Players or the clubs from which they came or have gone to.</li> </ol> <p>3. The amount of this Sub-Item may in no case be negative, consequently, if the result of applying the above Rules is negative, the amount for such will be 0.</p> <p>4. Clubs/SADs which in Season T will be playing in the Second Division shall apply a coefficient of 0.8 to the result obtained in accordance with what is set forth in the above paragraphs.</p> <p>5. The amount of this Item shall be adjusted by not taking into account the profits obtained in the Seasons in which the Club/SAD played in a division higher than the division it will play in in Season T except for the first season after relegation, in which this adjustment shall not be applied.</p> <p>6. Rule applicable to Clubs/SADs in the Second Division.</p> <p>First Assumption. In the event that, at the end of the Summer Player Registration Period, the amount of Net Gains from Federative Rights Transfers had not been fully realised (Items 9.1 and 9.2. of the DESCRIPTION OF BUDGET ITEMS AND VALUATION CRITERIA AND RULES ANNEX of the LaLiga Revenues and Expenditure Budget) budgeted in the LaLiga Revenues and Expenditure Budget and accepted by the Validation Body for Season T, the aforementioned amount budgeted in the LaLiga Budget must be adjusted, reducing its figure to that actually realised at the conclusion of the aforementioned Registration Period plus TWENTY PER CENT (20%) of the amount budgeted for Season T, with the limit in any case being the latter.</p> <p>Second Assumption: The Club/SAD has realised Transfers of Players' Federative Rights in the Summer Player Registration Period, representing Net Gains of at least EIGHTY PER CENT (80%) of the amount budgeted and validated in the LaLiga Revenues and Expenditure Budget as the amount of this item that will be adjusted for Season T will be set in accordance with the following rules.</p> <ol style="list-style-type: none"> <li>By the sum of the total Net Grains from Player Transfers effectively realised in the referenced summer market, increased to FIFTY PER CENT (50%) of the average Net</li> </ol>	
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				<p>Gains for the same concept made in the last THREE (3) Seasons from the end of the each summer market closure and computing only the seasons in which the Club/SAD has played in the Second Division.</p> <p>(ii) At least TWO (2) Seasons will be needed to calculate this average, otherwise those specified in the previous paragraph will not apply.</p> <p>(iii) The unrealised amount of the Budgeted Net Gains for the Transfer of Players' Federative Rights may not exceed FIVE PER CENT (5%) of the budgeted and validated Net Turnover for Season T, in which case the Gains budgetary item will be adjusted so that this percentage is not exceeded.</p> <p>Should the two cases contemplated in sections 2 and 3 concur simultaneously, the Club/SAD can choose to use the one it deems most appropriate.</p> <p>Should any of the assumptions referred to in the previous sections occur, the Validation Body will adjust the Squad Cost Limit assigned to the Club/SAD for Season T.</p> <p>7. In no case may this Sub-Item exceed:</p> <p>a) 25% of the Net Turnover budgeted for Season T, unless the amount has been made effective.</p> <p>Notwithstanding the above, if the amount of this Budget Item, calculated in accordance with the criteria contained in sections 1 to 6 above, exceeds the limit established in this point a), to the extent that the Club/SAD shows the Validation Body the obtention of net profit from the Transfer of Players' Federative Rights</p>	
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				<p>(including the amounts received as "rescission clauses" for Players' work contracts) in Season T, said amounts shall increase the amount of this Budget Item, with the consequent possible Increase in the Squad Cost Limit assigned by the Validation Body to the Club/SAD for said Season.</p> <p>The rule contained in the previous paragraph shall be applied until the amount of the Budgetary Item resulting from the application of what is contained in sections 1 to 6 is reached. Once said amount is reached, with the additional net profit from these operations, the rulings of Article 61 of the current Standards for the Preparation of the Budgets of Clubs and SADs shall be applied.</p> <p>or</p> <p>b) 10% of the Net Turnover budgeted for Season T, if the Club/SAD plays in Second Division, unless the amount has been made effective, and excepting Clubs/SADs which in the previous Season played in First Division, to which the rule of subsection 7.a) will apply.</p>	
<b>9.1.1.</b>		Transfer of Federative Rights.	From the Transfer of Federative Rights.		
<b>9.1.2.</b>	778	Others.	Other Includes revenue from training compensation and solidarity mechanisms calculated according to the FIFA Regulations for the Status and Transfer of Players.	.	
<b>9.2</b>	676	Losses from the Transfer of Players' Federative Rights. (-)	Losses incurred as a result of the Transfer of Players' Federative Rights.  Algebraic sum of Sub-Items 9.2.1. and 9.2.2.		
<b>9.2.1.</b>		Transfer of Federative Rights	From the Transfer of Federative Rights		
<b>9.2.2.</b>	678	Other	Includes expenditure for training compensation and solidarity mechanisms calculated according to the FIFA Regulations for the Status and		

			Transfer of Players.		
<b>9.3</b>	77	Proceeds from fixed assets and one-off revenues.		The budgeted proceeds and their respective amounts must be justified before the Validation Body.	Standard Reporting Form 107
<b>9.4.</b>	67	Losses from fixed assets and one-off expenses.		The budgeted losses and their respective amounts must be justified before the Validation Body.	Standard Reporting Form 107
<b>10.</b>		<b>Other Profits (Losses)</b>		The budgeted Other Profits (Losses) and their respective amounts must be justified before the Validation Body.	Standard Reporting Form 107
<b>11.</b>		<b>Operating profit/loss</b>	Algebraic Sum of Items 1 to 10.		
<b>12.</b>	<b>76</b>	<b>Financial income (+)</b>	Sum of Sub-Items 12.1 to 12.5.	The Financial Income included in this Item must be justified by the corresponding payment and collection flows, contracts or accounting estimates.	
<b>12.1.</b>		From marketable securities and other financial instruments.			
<b>12.2.</b>	762	From group companies			
<b>12.3.</b>		From Sports Entities			
<b>12.4.</b>	769	Others.			
<b>12.5</b>	<b>768</b>	Exchange rate differences (+)			

13.	66	<b>Financial expenses (-)</b>	Includes interest incurred in connection with the loan or advance of funds and the financial cost of any transactions, including interest, corresponding to agreements on the deferral/payment in instalment of	The Financial Expenses included in this Item must be justified by the corresponding payment and collection flows, contracts or accounting estimates.	
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			<p>tax or social security debts, as well as debts with sports entities and exchange rate differences.</p> <p>To be broken down according to the nature of the creditor into the following four Sub-Items Sum of Sub-Items 13.1 to 13.5.</p>		
<b>13.1</b>	662	Bank debts			
<b>13.2</b>		From group companies			
<b>13.3</b>	669	Debts with sports entities			
<b>13.4</b>		Other			
<b>13.5</b>	<b>668</b>	Exchange rate difference (-)			
<b>14.</b>		<b>Impairment and income from disposals of financial instruments (+/-)</b>	<b>Description in accordance with the General Accounting Plan</b>		
<b>15.</b>		<b>Total Financial Profit/Loss</b>	<b>Algebraic sum of Items 12 and 13</b>		
<b>16.</b>		<b>Pre-tax profit/loss</b>	<b>Algebraic sum of Items 11 and 15</b>		
<b>17.</b>	<b>630</b>	<b>Tax on (profit (+/-))</b>			
<b>Note Number</b>	<b>DESCRIPTION OF BUDGET ITEMS AND VALUATION CRITERIA AND RULES ANNEX NOTES ON APPLICATION</b>				

1	<b>Estimated Amount Season T-1</b>	<p>When reference is made in these Standards and in this Annex to revenues and/or expenditure, profit or loss, or any other concept, for Season T-1, estimated or forecast ("<b>Estimated Amount Season T-1</b>"), the amounts corresponding to this Season T-1 will be calculated by taking into account:</p> <ul style="list-style-type: none"> <li>a) The amounts entered in the audited Interim Financial Statements.</li> <li>b) Deducting the quantified exceptions included on the Audit Report for the aforementioned Interim Financial Statements.</li> <li>c) And the forecast and estimate of the amounts for the period of the last half of Season T-1, i.e. between 1 January and 30 June of said Season, which must be consistent with those that were actually incurred as of the date of submitting the LaLiga Budgets.</li> </ul>
2	<b>Valuation Alternatives</b>	<p><i>Valuation Alternatives are understood to mean the proposals for the valuation of Budget Items drawn up by the Club/SAD based on criteria and rules other than those referred to in these Standards and this Annex, DESCRIPTION OF BUDGET ITEMS AND VALUATION CRITERIA AND RULES ANNEX, which are regulated in Article 33 of the Full Text of these Standards and which, in accordance with the same, must be examined and, where appropriate, accepted by the Validation Body and in accordance with the rules and quantitative limits set out in said Article 33, as reproduced below:</i></p> <p><b>ARTICLE 33. VALUATION ALTERNATIVES.</b></p> <ul style="list-style-type: none"> <li>1. <i>Clubs/SADs may, exceptionally, propose valuations of Budget Items under rules or criteria other than those covered in these Standards to the Validation Body, which may accept them by express agreement and with the limits set forth in the following sections.</i></li> <li>2. <i>Valuation alternatives must be accompanied by reasonable and sufficient justification, at the criteria of the Validation Body, for them to be accepted.</i></li> <li>3. <i>Proposals for Budget Item valuation alternatives should be formulated in accordance with Standard Reporting Form MN 10.</i></li> <li>4. <i>The maximum amount of all Valuation Alternatives will be ONE PER CENT (1%) of the Net Turnover of Season T in the First Division and TWO PER CENT (2%) in the Second Division</i></li> <li>5. <i>No Valuation Alternatives may be proposed or accepted in any of the following operations:</i> <ul style="list-style-type: none"> <li>a) <i>The provision of scouting and similar sporting services.</i></li> <li>b) <i>Remunerations of the Club/SADs' directors.</i></li> <li>c) <i>Any operation with Related Parties.</i></li> <li>d) <i>In transactions between Clubs and/or SADs of any nationality, league or association.</i></li> </ul> </li> <li>6. <i>Likewise, the total amount of the Valuation Alternatives for Seasons T, T-1 and T-2 as a whole is limited to ONE POINT FIVE PER CENT (1.5%) and THREE PER CENT (3%) of the total Net Turnover in those Seasons for First Division Clubs/SADs and Second Division Clubs/SADs respectively</i></li> <li>7. <i>Without prejudice to their justification and acceptance by the Validation Body, the limitations set forth in sections 4 and 6 above are excluded from Valuation Alternatives referring to the following items:</i> <ul style="list-style-type: none"> <li>a) <i>Revenues from Spanish Supercopa Competitions.</i></li> </ul> </li> </ul>

		<p>b) <i>Revenues from playing in European Competitions.</i></p> <p>c) <i>Budgeted revenues based on historical participation in a Sports Category and the DESCRIPTION OF BUDGET ITEMS AND VALUATION CRITERIA AND RULES ANNEX allows the Valuation Alternative in the corresponding Item or Sub-item, and</i></p> <p>d) <i>Expenses for Collective Bonuses in favour of the Registrable Squad, in accordance with the provisions of the DESCRIPTION OF BUDGET ITEMS AND VALUATION CRITERIA AND RULES ANNEX.</i></p> <p>8. <i>In any case, the specific criteria and rules on Valuation Alternatives included for certain items or sub-items in the ANNEX OF DESCRIPTION OF BUDGETARY ITEMS AND OF VALUATION RULES AND CRITERIA must be met.</i></p>
3	<b>General Accounting Plan Account Numbering</b>	The numbering of the General Accounting Plan Accounts and sectoral adaptation to the SADs is included for reference purposes only, however, the valuation criteria, rules and descriptions laid down in these Standards will in any case prevail.
4	<b>Certificates from the Authorised Representative</b>	In respect of the obligation to issue certificates from the Authorised Representative referred to in the Budget Items of this Annex, Clubs/SADs that submit Acceptable Financial and Economic Ratios in accordance with the provisions of Section Five of Chapter One, Title II of the Standards (Art. 22 et seq.) are excepted from the aforementioned obligation.



**STANDARD REPORTING  
FORMATS**





LIGA NACIONAL DE FÚTBOL PROFESIONAL  
STANDARDS FOR THE PREPARATION OF THE BUDGETS OF CLUBS  
AND SADs ANNEX WITH LIST OF STANDARD REPORTING FORMATS

STANDARD REPORTING FORMATS OF THE FULL TEXT		
Standard Reporting Form Number	Reference Article in the Standards	Standard Reporting Form Description
MN 1	13.3/13.4	Measures proposed by the Club/SAD in the case that it does not qualify to participate in the European Competition provided for in the submitted LaLiga Budget.
MN 2	18.1.c)	Information concerning the Taxes and Charges on (i) Federative Player Rights or the Economic Rights derived from them, (ii) Receivables from the Cession of Audiovisual Rights, and (iii) Other Assets and Rights.
MN 3	18.1.d)	Information on Credit Payment Obligations recognised in the Creditors' Agreement approved in bankruptcy proceedings.
MN 4	18.1.e)	Information on the profits or losses generated in transactions for the Transfer of Federative Player/Coach Rights included in the Annual Accounts for Seasons T-3, T-2, and Estimated for Season T-1.
MN 5	19	Explanatory Notes.
MN 6	20	Statement of Compliance.
MN 7	21.2/21.3	Regular Reporting on Squad Cost Differences and others for Season T-1.
MN 8	21.4/21.5	Regular Reporting on Squad Cost Differences and others for the current Season (T).
MN 9	22 et seq.	Acceptable Financial and Economic Ratio Justification and Application Request
MN 10	33	Proposals for Valuation Alternatives.
MN 11	39.3.i) and 39.3.j)	Statement on Contracts for Purchase Option Rights on Economic and/or Federative Rights.
MN 12	63	Certification by the Authorised Representative. Profits or losses generated from the Transfer of Players' Federative Rights.
MN 13	64 and 65	Certification by the Authorised Representative. Extraordinary positive accounting results.
MN 14	66 and 67	Certification by the Authorised Representative. Increase in revenue from audiovisual broadcasting rights.
MN 15	68 and 69	Certification by the Authorised Representative. Increase in revenue from marketing contracts.
MN 16	70 and 71	Certification by the Authorised Representative. Increase in revenue from season tickets and membership cards.

MN 17	76	Certification by the Authorised Representative. Temporary Excess to the Limit on the Squad Cost. Acceptance of the reduction to the Limit on the Squad Cost for Season T+1 in the case of the Contractual Renewal of Players and/or termination of Coaching Staff contracts.
MN 18	77	Certification by the Authorised Representative. Temporary Excess to the Limit on the Squad Cost. Acceptance of the reduction to the Limit on the Squad Cost for Season T+1 in the case of the extended injury of a Player.
MN 19-1	Chapter One Title III. Art 79	Application to Increase the Limit on the Squad Cost in the case of an increase in Revenues and/or Profits.
MN 19-2	Chapter One, Title III. Art. 79	Application for a Temporary Excess to the Limit on the Squad Cost in the cases of Player Renewal, Coaching Staff Contract Termination, Extended Player Injury.
MN 20	90	Half-yearly reporting by Clubs/SADs that have calculated Contributions for Increasing the Squad Cost.
MN 21	91 et seq.	Application to Increase the Squad Cost due to Contributions and certification from the Authorised Representative. Disbursement and Accounting Record and Companies Registry Entry - Contributions.
MN 22	92	Application for advance authorisation to Increase the Limit on Squad Costs.
MN 23	94	Squad Cost Summary Table for Season T-1
MN 24	95	Statement by the Club/SAD on the overall non-individualised Squad Cost and Update Annex alternative information.
MN 25.1 and 25.2.	97	Statement of Compliance by the Club/SAD on the remuneration paid by third parties to Players.
MN 101	Item 1.2	Item 1.2. Revenue from subscribers and members on the LaLiga Revenues and Expenditure Budget. Justification for an increase over the Estimated revenues for Season T-1 and/or Revenue Forecast according to sales alternatives depending on the different Competitions.
MN 102	Items/Sub-Items 1.3.3./1.4. 2/1.4.3./1.5.	Certification from the Authorised Representative on Revenue: Cession of additional Audiovisual Rights/Marketing of other rights/Sponsorship and similar/Publicity.
MN 103	Items/Sub-Items 1.6.2	Certification from the Authorised Representative on Revenue from Operating Subsidies and others.
MN 104	Items/Sub-Items 1.6.3	Certification from the Authorised Representative on Work performed for the entity.
MN 105	Items/Sub-Items 5. (Rule 2)	Certification from the Authorised Representative on assumptions supporting the amount of the purchases of products to be sold in Official Shops.

MN 106	Items/Sub-Item s 6.1.	Certification from the Authorised Representative on the justification of the amortisation of Tangible Fixed Assets consisting of Sports Facilities.
MN 107	Items/Sub-Item s: 9.1/9.2/9.3./ 10	Certification from the Authorised Representative on the Profits/Losses generated to 31 January Season T-1.





LIGA NACIONAL DE FÚTBOL PROFESIONAL

Standards for the Preparation of the Budgets of Clubs and SADs

Standard Reporting Form MN 1

Reference Article(s): 13.3 and 13.4

Description: Measures proposed by the Club/SAD in the case that it does not qualify to participate in the European Competition used as the assumption in the submitted LaLiga Budgets

1	Season	
2	Club/SAD	
3	European Competition used as the assumption in the submitted LaLiga Budgets (indicate the corresponding option)	UEFA Champions League
		UEFA Champions League (group stage) + Europa League
		UEFA Champions League (group stage only)
		Europa League
4	Calculated amount of the lower Positive contribution to the Profit/Loss (in thousands of Euros)	
5	Explanation for the calculation of the amount of the lower Positive contribution to the Profit/Loss	
6	Description of the measures to be taken with their justification and reasonableness for the case that the Club/SAD does not qualify to participate in the European Competition used as the assumption in the submitted LaLiga Budgets	

6	Continuation of Measures to be applied and their justification

Annexes submitted by the Club/SAD	
No.	Description
STATEMENT OF THE CLUB/SAD ON ITS EXPRESS COMMITMENT TO IMPLEMENT THE PROPOSED MEASURES.	
Authorised Representative	
NIF (Spanish tax identification no.)	
Position at the Club/SAD	
<i>Through this Statement, the Club/SAD duly represented by the above named person assumes the express commitment to implement the proposed measures, which have been described in Section 6</i>	
Signature	
Date	



LIGA NACIONAL DE FÚTBOL PROFESIONAL  
Standards for the Preparation of the Budgets of Clubs and SADs

**Standard Reporting Form MN 3**  
Reference Article(s): 18.1.d)

Description: Information on credit payment obligations recognised in the Creditors' Agreement that are due from the Club/SAD in accordance with the terms and conditions of said Creditors' Agreement based on the Club/SAD obtaining certain revenues or profits,

INFORMATION ON CREDIT PAYMENT OBLIGATIONS RECOGNISED IN THE CREDITORS' AGREEMENT THAT ARE DUE FROM THE CLUB/SAD IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF SAID CREDITORS' AGREEMENT BASED ON THE CLUB/SAD OBTAINING CERTAIN REVENUES OR PROFITS, WITH THE CONTENT AND BREAKDOWN STATED IN STANDARD REPORTING FORM MN 3.

SEASON			DATE	
CLUB/SAD				
DATE				
AUTHORISED REPRESENTATIVE				
POSITION				
SIGNATURE				

DOCUMENT (CREDITORS' AGREEMENT / SPECIAL AGREEMENT)	CALCULATION BASIS	CALCULATION CONCEPT	PAYMENT TYPE: FIXED / VARIABLE	CALCULATION FORMULA	PAYMENT AMOUNT	PAYMENT DATE
<i>Example</i> Creditors' Agreement	10,000	Ordinary Debt	Fixed	10,000 *7% annual	Result of the Formula applied to the calculation basis	xx/xx/20xx
<i>Example</i> Tax Agency Special Agreement	€xxx	Transfer amount of player federative rights	Variable	Transfer amount * 10%	Result of the Formula applied to the calculation basis	xx/xx/20xx
<b>I</b>						

Liga Nacional de Fútbol Profesional  
Standards for the Preparation of the Budgets of Clubs and SADs

**Standard Reporting Form MN 2**  
Reference Article(s): 18.1.c)

Description: Information about Taxes and Charges on:

- I) Federative Rights I
- II) Audiovisual Rights.
- III) Any other good and/or right.

I) INFORMATION CONCERNING TAXES AND CHARGES ON THE FEDERATIVE RIGHTS/ECONOMIC RIGHTS  
OF ANY PLAYER OF THIS CLUB/SAD ON THE DATE OF ISSUE OF THIS DOCUMENT.

SEASON			DATE
CLUB/SAD			
DATE			
AUTHORISED REPRESENTATIVE			
POSITION			
SIGNATURE			





II) INFORMATION CONCERNING TAXES AND CHARGES ON THE CREDIT CLAIMS  
ARISING FROM THE EXPLOITATION OF THIS CLUB/SAD'S AUDIOVISUAL RIGHTS ON THE  
DATE OF ISSUE OF THIS DOCUMENT.

ASSIGNEE COMPANY OF THE CREDIT CLAIMS LEVIED	% FEDERATIVE RIGHTS LEVIED	CREDITOR	NATURE OF THE CHARGE (ASSIGNMENT AS SECURITY/OTHER GUARANTEE/LIEN)	NATURE OF THE OBLIGATION GUARANTEED	AMOUNT GUARANTEED	TRANSACTION DATE

III)

INFORMATION CONCERNING TAXES AND CHARGES ON ANY OTHER ASSETS AND/OR RIGHTS HELD BY THIS CLUB/SAD ON THE DATE OF ISSUE OF THIS DOCUMENT.

DESCRIPTION OF THE ASSET AND/OR RIGHT	CREDITOR	NATURE OF THE CHARGE (ASSIGNMENT AS SECURITY/OTHER GUARANTEE/LIEN)]	Nature of the obligation GUARANTEED	Amount guaranteed	Transaction date

LIGA NACIONAL DE FÚTBOL PROFESIONAL  
Standards for the Preparation of the Budgets of Clubs and SADs

**Standard Reporting Form MN 4**  
Reference Article(s): 18.3.f)

Description; Information on the profits and/or losses from transactions for the Transfer of Federative Rights included in the Annual Accounts for Seasons T-3, T-2 and T-1

INFORMATION ON THE PROFITS AND/OR LOSSES FROM TRANSACTIONS FOR THE TRANSFER OF FEDERATIVE RIGHTS INCLUDED IN THE ANNUAL ACCOUNTS FOR SEASONS T-3, T-2 AND T-1

SEASON			DATE	
CLUB/SAD				
DATE				
AUTHORISED REPRESENTATIVE				
POSITION				
SIGNATURE				





SEASON T-1 (AUDITED)						
PLAYER NAME	TRANSACTION DATE	ACQUIRER CLUB/SAD	PRICE OF THE TRANSFER	EXPENSES ASSOCIATED WITH THE TRANSFER (INCLUDING	NET BOOK VALUE OF THE FEDERATIVE RIGHTS	PROFIT /LOSS

LIGA NACIONAL DE FÚTBOL PROFESIONAL  
Standards for the Preparation of the Budgets of Clubs and SADs

Standard Reporting Form MN 5  
Reference Article(s): 19

Description: Explanatory Notes  
Note: The headings referred to by this Standard Reporting Form MN 5 are expandable with everything that the Club/SAD considers to be relevant for understanding its budget.

Season		Date
Club/SAD		
Authorised Representative		
Position		Signature

The Club/SAD [    ] draws up  
  
these Explanatory Notes for the indicated Season as Supplementary Information on the LaLiga Budgets submitted for Validation:

FUNDAMENTAL ASSUMPTIONS AND BASES ON WHICH THE LALIGA BUDGETS ARE BASED



DESCRIPTION OF THE RISKS THAT COULD AFFECT THE CLUB/SAD'S FUTURE RESULTS
LALIGA COMPETITION CATEGORY IN WHICH IT IS EXPECTED TO PARTICIPATE
EUROPEAN COMPETITION IN WHICH IT IS EXPECTED TO PARTICIPATE
SITUATIONS INVOLVING A RISK OF DEFAULT ON CREDITS TO THE CLUB/SAD

JUDICIAL OR EXTRAJUDICIAL CLAIMS FILED AGAINST THE CLUB/SAD
EXPLANATION OF THE BUDGET ITEMS

LIGA NACIONAL DE FÚTBOL PROFESIONAL  
Standards for the Preparation of the Budgets of Clubs and SADs

Standard Reporting Form MN 6  
Reference Article(s): 20.2

Description: Statement of Compliance.

STATEMENT OF COMPLIANCE ACCOMPANYING THE LALIGA BUDGETS SUBMITTED FOR  
VALIDATION

Season		Date
Club/SAD		
Authorised Representative		
Position		Signature

Mr [ ], in the name and on behalf of the Club/SAD [ ] as the Authorised Representative, draws up this comprehensive Statement on the following points and circumstances with all due diligence:  
First,-

That the LaLiga Budgets submitted by the Club/SAD for Season [ ] have been prepared in accordance with the rules and principles laid down in the Standards for the Preparation of the Budgets of Clubs and SADs that have been approved by LaLiga and are in force.  
Second.

That, according to the best of their knowledge, the operations, legal transactions and acts in which the Club/SAD has been part of, comprising the different Budget Items and the aforementioned LaLiga Budgets submitted to LaLiga, comply with current legal regulations.  
Third

That the information provided in the LaLiga Budgets and other information submitted is complete and that the Club/SAD is not aware of any kinds of circumstances (economic, legal or sporting) that would entail a significant modification of the foundations and assumptions used in the preparation of the LaLiga Budgets.

Fourth

That the LaLiga Budgets submitted have been approved by Mr [ ] in his role as [Executive Chairman/CEO/Managing Director/similar position at the Club/SAD] on [ ]

And for the record before LaLiga, this Statement of Compliance is drawn up in *[place]*, on *[date]*

THE AUTHORISED REPRESENTATIVE

Signed: [ ]

Liga Nacional de Fútbol Profesional Economic Control Standards for the Preparation of LaLiga Budgets  Regular Reporting for Verification	Club/SAD Season Date of Submission  This Standard Reporting Form must be submitted together with the audited Annual Accounts for Season T-1	Amounts in thousands of euros
--	---	-------------------------------

Squad Cost Differences				
Concept	Communicated accepted/allocated by the Validation Body (including	Actual Amount Season	Difference (+/-)	Observations/Comments
Total Squad Cost				
Registrable Squad Cost				
Non-registrable Squad Cost				
on Total Cost				
Percentage variable concepts/total				
Collective Bonuses (*)				

Profit Differences/Revenue Increases/Contributions used for Increasing the Limit on Squad Costs

Concept	Amount communicated and accepted by the Validation Body	Actual Amount Season	Difference (+/-)	Observations/Comments
Proceeds from the Transfer of Players' Federative Rights				
Extraordinary Profits				
Audiovisual Contract Increases				
Capital Contributions (Arts. 82 et seq.)				
Other Revenue Increases				

Note: the concepts listed here are not exhaustive.

(\*) In observations, please include  
The detail of the different Collective Bonuses due in the Season for the respective concept they are due, comparing them, for each of the aforementioned concepts that gave rise to them, with those budgeted and accepted by LaLiga's Validation Body provided to the auditor by said body.

Liga Nacional de Fútbol Profesional Economic Control Standards for the Preparation of LaLiga Budgets  <b>Standard Reporting Form MN 8 Art. 21. 4 Standards</b> Regular Reporting for Verification (Art. 21 of the Standards)	Club/SAD	
	Season	
	Date of Submission	
	This Standard Reporting Form must be submitted together with the audited Annual Accounts for Season T-1 and will cover the period of Season T from its start until the last day of the summer market player registration period	
	Amounts in thousands of euros	

Squad Cost Difference Season T(    )

Concept	Communicated and accepted/allocated by the Validation Body (including updates)	Forecast Actual Amount Season	Differences (+/-)	Observations/Comments
Total Squad Cost				
Registrable Squad Cost				
Non-registrable Squad Cost				
Proportionality of Registrable Squad Costs over Total Costs				

Profit Differences/Revenue Increases/Contributions used for Increasing the

Concept	Amount communicated and accepted by the Validation Body	Actual Amount Season	Differences (+/-)	Observations/Comments
Proceeds from the Transfer of Players' Federative Rights				
Extraordinary Profits				
Audiovisual Contract Increases				
Capital Contributions (Arts. 82 et seq.)				
Other Revenue Increases				
This information must be verified by the Club/SAD's Account Auditor in a Report on Agreed Procedures MN 8				
Page 1 of 1				

**LIGA NACIONAL DE FÚTBOL PROFESIONAL**  
Standards for the Preparation of the Budgets of Clubs and SADs

Standard Reporting Form MN 9  
Reference Article(s): 22 et seq.

Description: Application of Acceptable Financial and Economic Ratios

Season		Date
Club/SAD		
Authorised Representative		
Position		Signature

The Club/SAD asserts the concurrence of Acceptable Financial and Economic Ratios in accordance with the provisions of Articles 22 et seq. of the Standard

PREREQUISITES
THE CLUB/SAD STATES THAT, ON THE DATE OF THIS APPLICATION, IT MEETS THE PREREQUISITES:
1. The Club/SAD is not subject to monitoring measures under LaLiga's Economic Control regulations
2. It is not declared as being Under Administration, nor has such declaration been requested,
3. It is involved in Bankruptcy Proceedings in which the Creditors' Agreement has been approved and all the claims in the bankruptcy* have been met.

CALCULATION OF ACCEPTABLE FINANCIAL AND ECONOMIC RATIOS (ARTICLE 24 OF THE STANDARDS)	
RATIO A	
Equity Season T-2 ( ) (A) <sup>1</sup>	
Outstanding Liabilities maturing in less than 5 years T-2 ( ) (B)	
Deferred tax liabilities T-2 ( ) (C)	
Investment made until Art. 24.3 of the Standard (D)	
Credits against other Clubs/SADs and sports entities (E)	
Cash and Cash Equivalents (F)	
TOTAL OUTSTANDING LIABILITIES (G) = (B)-(C)-(D)-(E)-(F)	

<sup>1</sup> The Equity figure computable for the purposes of calculating the Acceptable Financial and Economic Ratios will be corrected in accordance with the provisions of Article 24.2 of the Standards.

<b>1<sup>st</sup> Division</b>	25% of the Total Outstanding Liabilities T-2 ( ) (H)	
<b>2<sup>nd</sup> Division</b>	60% of the Total Outstanding Liabilities T-2 ( ) (I)	
<b>1<sup>st</sup> Division</b>	(A) <sup>2</sup> -(H) (J)	
<b>2<sup>nd</sup> Division</b>	(A)-(I) (K)	
Forecast of participation in Sports Category Season T ( ) <sup>3</sup>		First Division/Second Division A
<b>RATIO B</b>		
Adjusted Liabilities Season T-1 maturing in less than 2 years T-1 ( ) (A)		
Investment made until Art. 24.3 of the Standard (B)		
<b>TOTAL OUTSTANDING LIABILITIES (C) = (A)-(B)</b>		
Net Turnover Season T-2 ( ) (D)		
Coefficient applicable under Article 24.1.b) (E)		
Net Turnover Season T-2 ( ) corrected with applicable coefficient (F)=(E)x(D)		
(F)-(C) <sup>4</sup>		

AUDITOR'S REPORT, [Indicate if it and, where appropriate, its data are submitted in accordance with the provisions of Article 25 of the Standards]
--

\_\_\_\_\_

2 Ratio A is met if [(J) and (K) are positive amounts and the Club/SAD respectively expects to play in the First Division or Second Division A in Season T.

3 Indicate as appropriate

4 Ratio B is met if (G) is a positive amount and the Club/SAD respectively expects to play in the First Division or Second Division A in Season T.



**LIGA NACIONAL DE FÚTBOL PROFESIONAL**  
Standards for the Preparation of the Budgets of Clubs and SADs

Standard Reporting Form MN 10  
Reference Article(s): 33

Description: Proposed Budget Items Valuation Alternative

SEASON		DATE
CLUB/SAD		
AUTHORISED REPRESENTATIVE		
POSITION		SIGNATURE

The Club/SAD draws up the following Proposed Budget Item Valuation Alternative(s)

LALIGA BUDGETS	BUDGET ITEM	VALUATION ACCORDING TO THE STANDARDS (THOUSANDS OF EUROS)	PROPOSED VALUATION ALTERNATIVE (THOUSANDS OF EUROS)	JUSTIFICATION OF THE PROPOSED VALUATION ALTERNATIVE (ALSO INDICATE THE ACCOMPANYING DOCUMENTATION, WHERE APPROPRIATE)







LIGA NACIONAL DE FÚTBOL PROFESIONAL

Standards for the Preparation of the Budgets of Clubs and SADs

Standard Reporting Form MN 12

Reference Article(s) : 63

Description: Certification from the Authorised Representative on the Profits/Losses generated by Transactions for the Transfer of Federative Player Rights.

Mr [ ], Authorised Representative of [name of the S.A.D. or Club], with registered offices at [ ] and C.I.F. (Spanish tax identification number) [ ]

CERTIFIES

That the following is evidenced by the documentation held by this [Club/SAD] as of the date of this certification:

1. That in the period between [ ] and [ ], both days inclusive, the following amounts have been recorded in the accounts of [Name of the SA.D. or Club]:

Concept	€
A) From profits arising from Transactions to Transfer Players' Federative Rights	
B) For losses, impairments or expenses generated in Transactions to Transfer Federative Rights or from contractual terminations of Players (By way of example: recognised fees for intermediary agents in transactions, shares in favour of Players or third parties, impairment losses on Federative Rights etc.)	
C) Difference (A)-(B)	

2. That the sums referred to have been posted on the Club/SAD's accounts before 30 June, amounting to [ ] euros, or on the same day and the remaining [ ] euros, at later dates.

And for the record, at the request of LaLiga, I issue this certification in [place],  
[date]

**THE AUTHORISED REPRESENTATIVE**

\_\_\_\_\_  
Signed: Mr [       ]

## Standards for the Preparation of the Budgets of Clubs and SADs

## Reference Article(s): 64 and 65

Description: Certification from the Authorised Representative on Extraordinary Positive Accounting Results from transactions for the sale of fixed assets other than Federative Player Rights, of an Exceptional nature.

Mr [ ], Authorised Representative of [name of the S.A.D. or Club], with registered offices at [ ] and C.I.F. (Spanish tax identification number) [ ]

**CERTIFIES**

That the following is evidenced by the documentation held by this [Club/SAD] as of the date of this certification:

1. That, from the start of period T and to the date of issue of this Certificate, *[name of Club/SAD]* has signed the following contracts for the sale of Fixed Assets - other than Federative Player Rights - and other Exceptional Transactions that generate Extraordinary Profits listed below:

Date Operations	Description Transaction/Contract	Sale Price	Other expenses directly attributable	Net Book Value	Profit/Loss (thousands of euros)

2. That, during the same period, [Club/SAD] has experienced Extraordinary Losses from transactions and contracts of the same nature as those set out in paragraph 1 above, amounting to [ ] thousand euros.

Date Operations	Description Transaction/Contract	Sale Price	Other expenses directly attributable	Net Book Value	Profit/Loss (thousands of euros)


3. That the difference between the total Extraordinary Profits and Extraordinary Losses stated above, therefore, amounts to [            ] thousand euros.

4. That the Transactions and Contracts described will generate the following collections and/or payments in the Treasury of *[Club/SAD]*:

Due Date	Collections (thousands of euros)	Payments (thousands of euros)	Transaction/Contract

5. That the Replacement Investment, if applicable, has the characteristics and justification stated below:

Replacement Investment Description.	
Replacement Investment Justification.	
Estimated Amount (thousands of euros)	

And for the record, at the request of LaLiga, I issue this certification in [place], [date].

**THE AUTHORISED REPRESENTATIVE**

Signed: Mr [   ]

LIGA NACIONAL DE FÚTBOL PROFESIONAL



**Standard Reporting Form MN 13**  
Reference Article(s): 66 and 67

Description: Certification from the Authorised Representative on a Revenue increase from the Cession of Television Broadcasting Rights

Mr [ ], Authorised Representative of [*Name of the S.A.D. or Club*], with registered offices at [ ] and C.I.F. (Spanish tax identification number) [ ]  
**CERTIFIES**

That the following is evidenced by the documentation and antecedents held by this [*Club/SAD*] as of the date of this certification:

1. That a new Contract for the Cession of Television Broadcasting Rights has been entered into, the characteristics of which are provided below:

Contracting Party		
Registered Offices		N.I.F. (tax identification number)
Description of the Contract (Purpose) New Contract Modification of a previous one		

2. That, as a result of signing the Contract described above, Revenue from the Cession price of Television Broadcasting Rights will increase over that originally budgeted on the Validated LaLiga Budgets for this Season by the following amount:

	Thousands of euros
--	-----------------------

3. A copy of the Contract outlined in paragraph 1, attested with the signature of the certifier, is attached to this Certificate.

And for the record, at the request of LaLiga, I issue this certification in [place], [date].

THE AUTHORISED REPRESENTATIVE

Signed: Mr [       ]

LIGA NACIONAL DE FÚTBOL PROFESIONAL  
Standards for the Preparation of the Budgets of Clubs and SADs

**Standard Reporting Form MN 15**  
Reference Article(s): 68 and 69

Description: Certification from the Authorised Representative, New Contract for Marketing Other Rights and Assets.

Mr [ ], Authorised Representative of [name of the S.A.D. or Club], with registered offices at [ ] and C.I.F. (Spanish tax identification number) [ ]

**CERTIFIES**

That the following is evidenced by the documentation held by this [Club/SAD] as of the date of this certification:

1. That, on [ ] [Club/SAD] signed a new Contract for Marketing Other Rights and Assets owned by it with the following characteristics:

Contracting Party	
Registered Offices	N.I.F. (tax identification number)
Description of the Contract (Purpose)	

2. That, according to the aforementioned Contract, the amount of the increase in Revenues from Marketing over that budgeted in the LaLiga Budget for the Season amounts to the sum of

	Thousands of euros
--	--------------------

In accordance with the following suppositions, assumptions and calculations:

3 A copy of the Contract outlined in paragraph 1, attested with the signature of the certifier, is attached to this Certificate.

And for the record, at the request of LaLiga, I issue this certification in [place], [date].

THE AUTHORISED REPRESENTATIVE

\_\_\_\_\_  
Signed: Mr [       ]

**LIGA NACIONAL DE FÚTBOL PROFESIONAL**

Standards for the Preparation of the Budgets of Clubs and SADs

**Standard Reporting Form MN 16**

Reference Article(s): 70 and 71

Description: Certification by the Authorised Representative. Increase in Revenues from Season Tickets and Memberships

Mr [ ]. Authorised Representative of [Name of the Club/SAD], with registered offices at [ ] and C.I.F. (Spanish tax identification number) [ ]

**CERTIFIES**

That the following is evidenced by the documentation held by this [Club/SAD] as of the date of this certification:

That, in the LaLiga Revenues and Expenditure Budget for Season [], some Revenues from Season Tickets and Memberships are budgeted for the amount of	Thousands of euros
That the amount effectively received by the Club/SAD for the aforementioned concept in the same Season amounted to	Thousands of euros
Increase over the budgeted amount for Season	Thousands of euros

And for the record, at the request of LaLiga, I issue this certification in [place], [date].

**THE AUTHORISED REPRESENTATIVE**

Signed: Mr [ ]



**LIGA NACIONAL DE FÚTBOL PROFESIONAL**  
Standards for the Preparation of the Budgets of Clubs and SADs

**Standard Reporting Form MN 17**  
Reference Article(s): 76

Description: Certification from the Authorised Representative on Compensation Commitment Increased Limit on Squad Costs due to the Contractual Renewal of Players and/or Termination of Coaching Staff Contracts

Mr [ ], Authorised Representative of [Name of the Club/SAD], with registered offices at [ ] and C.I.F. (Spanish tax identification number) [ ]

**CERTIFIES**

**First.-** The Club/SAD has requested authorisation to temporarily exceed the Limit on the Registrable Squad Cost for Season [ ] on the basis of the situation provided for under Article 73 Contractual Renewal of Players/ Article 74 Termination of Coaching Staff Contracts<sup>1</sup>.

**Second.-** The Temporary Excess to the Limit on the Registrable Squad Cost for said Season requested due to this situation amounts to [ ] thousand euros.

**Third.-** The requested Temporary Excess to the Limit on the Registrable Squad Cost does not exceed FOUR (4%) of the Limit initially granted for said Season.

**Fourth.-** In accordance with the provisions of Article 76 of the LaLiga Standards for the Preparation of the Budgets of Clubs and SADs, this Club/SAD's commitment and acceptance is stated for the record through this certification regarding the Limit on the Registrable Squad Cost allocated to it for Season T+1 [ ] being reduced by the same amount that has been authorised by the Validation Body as a temporary excess to the Limit in accordance with the request made or, where appropriate, to the remaining amount in the event that compensations occurred after its authorisation.

And for the record, at the request of LaLiga, I issue this document in [place], [date]

**THE AUTHORISED REPRESENTATIVE**

Signed: Mr [ ]

<sup>1</sup> Delete where not applicable





**LIGA NACIONAL DE FÚTBOL PROFESIONAL**

Standards for the Preparation of the Budgets of Clubs and SADs

**Standard Reporting Form MN 18**

Reference Article(s): 777

Description: Certification from the Authorised Representative on Compensation Commitment Increased Limit on Squad Costs due to the Extended Injury of a Player.

Mr [ ], Authorised Representative of [Name of the Club/SAD], with registered offices at [ ] and C.I.F. (Spanish tax identification number) [ ].

**CERTIFIES**

**First.-** The Club/SAD has requested authorisation to temporarily exceed the Limit on the Registrable Squad Cost for Season [ ] on the basis of the situation provided for under Article 77 Extended Injury of Player Mr [ ].

**Second.-** The Temporary Excess to the Limit on the Registrable Squad Cost for said Season requested due to this situation amounts to [ ] thousand euros.

**Third.-** In accordance with the provisions of Article 77.6 of the LaLiga Standards for the Preparation of the Budgets of Clubs and SADs, this Club/SAD's commitment and acceptance is stated for the record through this certification regarding the Limit on the Registrable Squad Cost allocated to it for Season T+1 [ ] being reduced by the same amount that has been authorised by the Validation Body as a temporary excess to the Limit in accordance with the request made or, where appropriate, to the remaining amount in the event that compensations occurred after its authorisation.

And for the record, at the request of LaLiga, I issue this document in [place], [date]

**THE AUTHORISED REPRESENTATIVE**

\_\_\_\_\_  
Signed: Mr [ ]



**LIGA NACIONAL DE FÚTBOL PROFESIONAL**  
Standards for the Preparation of the Budgets of Clubs and SADs  
**Standard Reporting Form MN 19.1**  
Reference Article(s): Chapter One, Title III  
  
Description: Application to Increase the Limit on the Registrable Squad Cost.

Season		Date
Club/SAD		
AUTHORISED REPRESENTATIVE		
Position		Signature

The undersigned Club/SAD requests from the Validation Body an Increase to the Limit on the Registrable Squad Cost allocated for Season [    ] on the basis of the situation(s) set out in this document and with the justification provided by the attachments.<sup>1</sup>

<sup>1</sup> Please use the appropriate forms for the situation occasioning the application to increase the Limit on the Registrable Squad Cost.

Situation involving profits from the transfer of Players' Federative Rights (Arts. 61 and 63 of the Standards)	
player	
Date of the Transfer of Federative Rights	
Acquirer Club/SAD	
Positive Results obtained	
Positive Results from previous Transfers of Federative Rights in the same Season	
Accounting Results from the Transfer of Federative Rights budgeted and validated in the LaLiga Budget for the Season	
Proportionality of the Registrable Squad Cost over the Total Cost	
Increase to the Limit on the Registrable Squad Cost (application of formula in Article 61.2 of the Standards.	
Accompanying documents.	Certification from the Authorised Representative on performance figures (MN 13)
	Attested copy of the Contract for the Transfer of Players' Federative Rights.
	Estimate of the Profit and Loss Account
	Estimate of the Cash Flow Statement
	Estimate of the Investments and Divestments Statement

SITUATION INVOLVING A NEW CONTRACT THAT GENERATES POSITIVE ACCOUNTING RESULTS FROM THE SALE OF FIXED ASSETS OTHER THEN FEDERATIVE RIGHTS (ARTS. 64 AND 65)	
Description of the Fixed Assets to be sold	
Date of Sales Contract	
Acquirer of the Fixed Assets	
Positive Result obtained (A)	
Positive Results from previous sales of Fixed Assets in the same Season (B)	
Accounting Results from the Sale of Fixed Assets budgeted and validated in the LaLiga Budget for Season (C)	
Proportionality of the Registrable Squad Cost over the Total Cost	
Increase to the Limit on the Registrable Squad Cost requested (application of formula in Article 64.2 of the Standards)	
Replacement Investment Description	
Estimated Amount of the Replacement Investment	
Accompanying documents	Certification from the Authorised Representative on the performance figures and the description, justification and estimate of the Amount of the Replacement Investment (MN 14)
	Attested copy of the Fixed Asset sales contract.
	Estimate of the Profit and Loss Account
	Estimate of the Cash Flow Statement
	Estimate of the Investments and Divestments Statement

Situation involving a Contract agreeing a price increase for the Cession of Television Broadcasting Rights (Arts. 66 and 67)	
Assignee of the Television Broadcasting Rights	
Contract Date	
Amount of the Budget Item for this concept on the submitted and validated LaLiga Revenues and Expenditure Budget	
Increase to the Amount of Revenue generated by the new contract for this concept	
Proportionality of the Registrable Squad Cost over the Total Squad Cost	
Increase to the Limit on the Registrable Squad Cost requested	
Accompanying documentation	Certification from the Authorised Representative on the contract data and calculations for the increase
	Attested copy of the Contract
	Estimate of the Profit and Loss Account
	Estimate of the Cash Flow Statement
	Estimate of the Investments and Divestments Statement

SITUATION INVOLVING A NEW CONTRACT FOR MARKETING OTHER RIGHTS OR ASSETS OWNED BY THE CLUB/SAD (ARTS. 68 and 69 of the Standards)	
Assignee of the Rights and Assets	
Contract Date	
Amount of the Budget Item for this concept on the submitted and validated LaLiga Revenues and Expenditure Budget	
Increase to the Amount of Revenue generated by the new contract for this concept	
Proportionality of the Registrable Squad Cost over the Total Squad Cost	
Increase to the Registrable Squad Cost Limit requested	
Accompanying documentation	Certification from the Authorised Representative on the contract data and calculations for the increase
	Attested copy of the Contract
	Estimate of the Profit and Loss Account
	Estimate of the Cash Flow Statement
	Estimate of the Investments and Divestments Statement

SITUATION INVOLVING AN INCREASE IN REVENUES FROM SEASON TICKETS AND MEMBERSHIPS (ARTS. 70 AND 71 OF THE STANDARDS)	
Amount of Revenue from Season Tickets and Memberships Budgeted on the LaLiga Revenues and Expenditure Budget	
Amount effectively received by the Club/SAD for the aforementioned concept in the same Season	
Increase over the amount budgeted for this concept for the Season	
Proportionality of the Registrable Squad Cost over the Total Squad Cost	
Increase to the Registrable Squad Cost Limit requested	
Accompanying documentation	Certification from the Authorised Representative (Art. 17)
	Estimate of the Profit and Loss Account
	Estimate of the Cash Flow Statement
	Estimate of the Investments and Divestments Statement





## Standards for the Preparation of the Budgets of Clubs and SADs

Reference Article(s): Chapter Two, Title III

Season		Date
Club/SAD		
Authorised Representative		
Position		Signature

The undersigned Club/SAD requests from the Validation Body authorisation to temporarily exceed the Limit on the Registrable Squad Cost allocated for Season [ ] on the basis of the situation(s) set out in this document and with the justification provided by the attachments.<sup>1</sup>

<sup>1</sup> Please use the appropriate forms for the situation occasioning the request to authorise a temporary excess to the Limit on the Registrable Squad Cost.

EXCEPTIONAL SITUATION INVOLVING CONTRACTUAL RENEWAL AND INCREASE IN PLAYER REMUNERATION (ARTS. 73, 75 AND 76 OF THE STANDARDS)

Player whose Cession of Image/Employment Contract is expanded as regards its term and remuneration.	
Date of the new Image/Employment Contract	
Final date of the Term of the Image/Employment Contract before the contractual renewal.	
Final date of the Term of the Image/Employment Contract after the contractual renewal.	
(A) Individual Player Cost included on the submitted and validated LaLiga Revenues and Expenditure Budget.	
(B) Individual Player Cost after the contractual renewal	
(C) Increase in the Individual Player Cost (B)-(A)	
(D) 75% of the Increase in the Individual Cost (C)*0.75	
Justification of the significant increase in the Value of the Federative Rights of the Player as of the date of this application.	
Justification of the need, from a sporting and/or financial point of view, to agree on the Player's contractual renewal	
(E) Reduction and Adjustment of the Increase to the Limit on the Registrable Squad Cost provided under Article 75 of the Standards (4% limit and exceptions)	
Increase to the Limit on the Registrable Squad Cost requested (D)-(E)	
Accompanying documentation	Certificate from the Secretary MN 18

EXCEPTIONAL SITUATION INVOLVING THE TERMINATION OF COACHING STAFF CONTRACTS (ART. 74 OF THE STANDARDS)	
Identification of the members of the Coaching Staff whose image/employment contracts are terminated, indicating their respective positions	
Coach	Position
(A) Cost of the Coaching Staff whose contracts are terminated included on the LaLiga Revenues and Expenditure Budget	
(B) Cost of the Coaching Staff whose contracts are terminated, including additional pecuniary obligations borne by the Club/SAD arising from such termination.	
(C) Increased cost of the new members of the Coaching Staff replacing the previous members.	
(D) Increase in the Cost of the Coaching Staff (B)+(C)-(A)	
(E) Reduction and Adjustment of the Increase to the Limit on the Registrable Squad Cost provided under Article 75 of the Standards (4% limit and exceptions)	
Increase to the Limit on the Registrable Squad Cost requested (D)-(E)	
Accompanying documentation	Certificate from the Secretary MN 18

SITUATION INVOLVING THE EXTENDED INJURY OF A PLAYER (ARTS. 78 OF THE STANDARDS)	
Player who has suffered an extended injury.	
Date on which the injury occurred.	
Expected duration of incapacity due to the injury (in months).	
Date on which the Player's LaLiga registration is cancelled.	
(A) Individual Cost of the injured Player included on the submitted and validated LaLiga Revenues and Expenditure Budget.	
(B) Accumulated amortisation of their Federative Rights as of the date of the injury.	
(C) Individual Cost of the injured Player without amortisation (A)-(B)	
(D) 80% Individual Cost of the injured Player without amortisation (C)*0.8	
(E) Proportion represented by the period from the start of the Season and the date of the injury, and the total duration of the Season (in %)	
Increase to the Limit on the Registrable Squad Cost requested (D)*(E)/100	
Accompanying documentation	Medical certificate confirming the Injury and its duration
	Insurance policy
	Certificate from the Secretary accepting the reduction to the Limit on the Squad Cost for Season (E.1.2.3.1.2)

**LIGA NACIONAL DE FÚTBOL PROFESIONAL**

Standards for the Preparation of the Budgets of Clubs and SADs

**Standard Reporting Form MN 20**

Reference Article(s): 90

Description: Half-yearly Reports of the Clubs/SADs authorised to Increase the Limit on the Squad Cost by virtue of Contributions

SEASON		DATE
Club/SAD		
Authorised Representative		
Position		SIGNATURE

1. Half-yearly report for First/Second<sup>1</sup> Half of Season [    ]
2. The Club/SAD draws up the following statement in accordance with the provisions of Article 90 of the Standards in connection with the operations, contracts, legal transactions and any cash movements for any concept carried out since the time of realising the Contributions they have taken place between the Club/SAD and any of the Contributors or Parties Related to the same that have performed them, and any others and/or companies related to the same

3. <sup>2</sup>

☐

The Club/SAD states that it has NOT carried out, during the Half-Year to which this Report refers, any of the operations, legal transactions or acts to which Article 90 of the Standards refers.

☐

The Club/SAD states that it has carried out, during the Half-Year to which this Report refers, the operations, legal transactions or acts covered under Article 90 of the Standards described below with the listed Contributors or Related Parties:

<sup>1</sup> Please delete where not applicable

<sup>2</sup> Please tick the appropriate option

MN 20

TRANSACTION NUMBER 1	
Contributor or Party Related to the same that carried out the transaction with the Club/SAD	
Contributor	
Relationship with the Contributor	
Registered offices of the Contributor/Related Party	
NIF/CIF (Spanish tax identification numbers)	
Transaction Date	
Transaction Description and Nature	
Transaction Amount	

TRANSACTION NUMBER 2	
Contributor or Party Related to the same that carried out the transaction with the	
Contributor	
Relationship with the Contributor	
Registered offices of the Contributor/Related Party	
NIF/CIF (Spanish tax identification numbers)	
Transaction Date	
Transaction Description and Nature	
Transaction Amount	

LIGA NACIONAL DE FÚTBOL PROFESIONAL

Standards for the Preparation of the Budgets of Clubs and SADs

Standard Reporting Form MN 21

Reference Article(s): 91 et seq.

Description: Request to Increase the Limit on the Squad Cost due to Contributions

Season		Date
Club/SAD		
Authorised Representative		
Position		Signature

1. The Club/SAD draws up before the Validation Body a request to Increase the Limit on the Squad Cost for Season [ ] under the provisions of Chapter Four, Title III of the Standards for the Preparation of the Budgets of Clubs and SADs, based on the Contributions described below.
2. The Club/SAD states that the Contributions on which this request to Increase the Limit on the Squad Cost is based meet all the conditions required under the Standards for their calculation and, particularly, that they have not been previously taken into account for a prior Increase in Squad Costs.
3. The Contributions made in favour of the Club/SAD are made by the Contributors, for the amount and with the nature and other characteristics that are stated below:

CONTRIBUTION NUMBER 1		
Contributor (Identification)		
Registered Offices		
NIF/CIF (Spanish tax identification numbers)		
Direct link with the Club/SAD (member, shareholder, director, executive, employee...)		
Indirect link, where relevant, through (identify and state the link with the Club/SAD)		
Nature of the Contribution (mark as appropriate)	Share Capital Increase with cash contribution	
	Share Capital Increase with offset or contribution of claims against the Club/SAD	

	Unconditional Donation
	Debt write-off

Contribution Amount	
Contribution Date	
In the case of Cash Contributions, date of entry in the Club/SAD's accounts	
Date of posting on the Club/SAD's Financial Statements and accounting records	
Group in which the Club/SAD is included in accordance with the provisions of Article 85 of the Standards	
Certificate of increase in the Club/SAD's Share Capital (if any), execution and disbursement.	Date
	Notary
	Location
	Protocol Number
	Date of Registration in the Companies Register
Offset or Contribution of Claims. Summary description of contributed or offset claims	
Debt write-off. Summary description of debts written off.	
Documentation accompanying this application (as applicable)	Copy of the share capital increase Public Deed
	Justification of registration in the Companies Register of the capital increase public deed
	Copy of documentation on Contribution through unconditional donation
	Copy of documentation on Contribution through debt write-off.
	Justification of cash contribution entry in accounts
	Certification from the Authorised Representative on the Posting of the Contribution in accounting.



## Standards for the Preparation of the Budgets of Clubs and SADs

Reference Article(s): 91 et seq.: 92

Description: Application for Advance Authorisation to Increase the Limit on Squad Costs

Season		Date
Club/SAD		
Authorised Representative		
Position		Signature

1. The Club/SAD draws up before the Validation Body a request for Advance Authorisation to Increase the Limit on the Squad Cost for Season [ ] under the provisions of Article 92 of the Standards for the Preparation of the Budgets of Clubs and SADs, based on the situation(s) set out below. (Situation involving an Increase)
2. The Club/SAD states that the Situations involving an Increase on which this application is based
  - a) are within the scope of those provided for in Chapters One and Four, Title III of the Standards, and
  - b) are reasonable and very likely to be complied with and that all the necessary measures for such have been taken, without the concurrence of events or circumstances of any nature that could hinder such compliance being recorded.
  - c) The Club/SAD states that it is in a position to obtain sufficient guarantees to comply with the Situation involving an Increase on which this application is based and in accordance with the conditions stated in the relevant form.

Situation involving an Increase to the Squad cost that is foreseen by the Club/SAD is met		
Nature of the Situation involving a future Increase expected by the Club/SAD (to tick as applicable)	Proceeds from the Transfer of Federative Player Rights (Art. 61)	
	Proceeds from the Sale of Fixed Assets (assets other than Federative Rights) or exceptional proceeds (Art. 64)	
	Revenue Increase from the Cession price of Television Broadcasting Rights (Art. 66)	
	Revenue Increase from a new Marketing Contract (Art. 68)	
	Contributions (Art. 81 et seq.)	

Situation involving profits from the transfer of Players' Federative Rights (Arts. 61 and 63 of the Standards)	
Player.	
Expected date of the Transfer of Federative Rights.	
Acquirer Club/SAD.	
Positive Results expected to be obtained.	
Positive Results from previous Transfers of Federative Rights in the same Season.	
Accounting Results from the Transfer of Federative Rights budgeted and validated in the LaLiga Budget for the Season.	
Proportionality of the Registrable Squad Cost over the Total Cost.	
Increase to the Limit on the Registrable Squad Cost (application of formula in Article 61.2 of the Standards.	
Explanation/justification of the reasonableness and predictability of compliance with the Situation involving an Increase.	
Accompanying documents.	Estimate of the Profit and Loss Account
	Estimate of the Cash Flow Statement
	Estimate of the Investments and Divestments
	Other documents supporting the reasonableness of compliance with the asserted Situation involving an Increase

Situation involving a New Contract that generates Positive Accounting Results from the Sale of Fixed Assets of than Federative Rights (Arts. 64 and 65)	
Description of the Fixed Assets expected to be sold.	
Expected date of execution of the sale.	
Expected acquirer of the Fixed Assets.	
Positive Results expected to be obtained.	
Positive Results from previous sales of Fixed Assets in the same Season.	
Accounting Results from the Sale of Fixed Assets budgeted and validated in the LaLiga Budget for Season.	
Proportionality of the Registrable Squad Cost over the Total Cost.	
Increase to the Limit on the Registrable Squad Cost requested (application of formula in Article 64.2 of the Standards).	
Expected Replacement Investment Description.	
Estimated Amount of the Replacement Investment.	
Explanation/justification of the reasonableness and predictability of compliance with the Situation involving an Increase.	
Accompanying documents.	Certification from the Authorised Representative on the justification and estimate of the Amount of the Replacement
	Estimate of the Profit and Loss Account
	Estimate of the Cash Flow Statement
	Estimate of the Investments and Divestments Statement
	Other documents supporting the reasonableness of compliance with the asserted Situation involving an Increase

SITUATION INVOLVING A NEW CONTRACT FOR MARKETING OTHER RIGHTS OR ASSETS OWNED BY THE CLUB/SAD (ARTS. 68 and 69 of the Standards)	
Identification of the expected assignee of the Rights and Assets.	
Expected Contract Date.	
Amount of the Budget Item for this concept on the submitted and validated LaLiga Revenues and Expenditure Budget.	
Increase to the Amount of Revenue generated by the new contract for this concept.	
Proportionality of the Registrable Squad Cost over the Total Squad Cost.	
Increase to the Limit on the Registrable Squad Cost requested.	
Explanation/justification of the reasonableness and predictability of compliance with the Situation involving an Increase.	
Accompanying documentation.	Estimate of the Profit and Loss Account
	Estimate of the Cash Flow Statement
	Estimate of the Investments and Divestments Statement
	Other documents supporting the reasonableness of compliance with the asserted Situation involving an Increase

Situation involving a Contract agreeing a price increase for the Cession of Television Broadcasting Rights (Arts. 66 and 67)	
Expected assignee of the Television Broadcasting Rights.	
Expected date of finalising the Contract.	
Amount of the Budget Item for this concept on the submitted and validated LaLiga Revenues and Expenditure Budget.	
Increase to the Amount of Revenue expected to be generated by the new contract for this concept.	
Proportionality of the Registrable Squad Cost over the Total Squad Cost.	
Increase to the Limit on the Registrable Squad Cost requested.	
Explanation/justification of the reasonableness and predictability of compliance with the Situation involving an Increase	
Accompanying documentation	Estimate of the Profit and Loss Account
	Estimate of the Cash Flow Statement
	Estimate of the Investments and Divestments
	Other documents supporting the reasonableness of compliance with the asserted Situation involving an Increase

Situation involving a Contribution (Art. 81 et seq.)		
Expected contributor (identification)		
Registered Offices		
NIF/CIF (Spanish tax identification numbers)		
Direct link with the Club/SAD (member, shareholder, director, executive, employee...).		
Indirect link, where relevant, through (identify and state the link with the Club/SAD).		
Contributor commitment date		
Nature of the Contribution expected to be carried out (to tick as applicable).	Share Capital Increase with cash contribution	
	Share Capital Increase with offset or contribution of claims against the Club/SAD	
	Unconditional Donation	
	Debt write-off	
Expected Contribution Amount.		
Expected Contribution Date.		
Group in which the Club/SAD is included in accordance with the provisions of Article 85 of the Standards.		
In case of Offset or Contribution of Claims. Summary description of the claims expected to be offset or contributed.		
In case of debt write-off. Summary description of the debts expected to be written off.		
Explanation/justification of the reasonableness and predictability of compliance with the Situation involving an Increase.		
Documentation accompanying this application	Document signed by the Contributor committing to carrying out the Contribution	
	Other documents concerning the set up of the guarantee	

Guarantees Offered (fill in this form for each guarantee) Art. 92.5 of the Standards		
Guarantor/Surety (other than the Club/SAD)		
Registered Offices		
NIF/CIF (Spanish tax identification numbers)		
Direct link with the Club/SAD (member, shareholder, director, executive, employee...)		
Indirect link, where relevant, through (identify and state the link with the Club/SAD).		
Nature of the guarantee offered	Personal	
	Real	
Nature and Description of the personal guarantee. Guarantee documents offering		
Nature and Description of the real guarantee offered (pledge, mortgage...), goods and/or rights, fair value thereof, previous burdens.		
Documentation accompanying this application	Document signed by the guarantor on the commitment to provide the guarantee	
	Other documents concerning the set up of the guarantee	





LIGA NACIONAL DE FUTBOL PROFESIONAL  
Economic Control

Standards for the Preparation of LaLiga Budgets

Standard Reporting Form MN 23 Art. 94. Standards

Actual Registrable Squad Cost T-1 (individualised)

Club/SAD	
Season	
Date of Submission	
Amounts in thousands of	

PLAYER  Player no.    SPORT NAME	CD	Situation	Employment Contract			Compensation Companies Holding Image Rights			Other Remuneration	SS. borne by the company	Depreciation	Expenses for cessions/ Revenue from cessions	Player acquisition expenses	Squad Cost, without Collective Bonuses for the Season	Contract end date	Net Book Value 30/06 T-1
			F	V	V	F	V	%								
			Remuneration	Remuneration					Var							
		</														

## Standards for the Preparation of the Budgets of Clubs and SADs

LaLiga Revenues and Expenditure Budget Item: 1.2.

Description: Item 1.2. Revenue from subscribers and members on the LaLiga Revenues and Expenditure Budget. Justification for an increase over the Estimated revenues for Season T-1 and/or Revenue Forecast according to sales alternatives depending on the different Competitions

Item 1.2. Revenue from subscribers and members on the LaLiga Revenues and Expenditure Budget. Justification for an increase over the Estimated revenues for Season T-1 and/or Revenue Forecast according to sales alternatives depending on the different Competitions

Season		DATE	
Club/SAD			
Date			
Authorised Representative			
Position			
Signature			

RULE 2.A. ITEM 1.2. REVENUE INCREASE OVER ESTIMATES FOR SEASON T-1	
Amount of Item 1.2. on the submitted LaLiga Revenues and Expenditure Budget for Season T	Thousands of euros
Estimated revenue for the same concept for Season T-1	Thousands of euros
Difference	Thousands of euros
Justification of the Increase provided on the submitted LaLiga Revenues and Expenditure Budget	

JUSTIFICATION OF THE INCREASE PROVIDED ON THE SUBMITTED LALIGA REVENUES AND EXPENDITURE BUDGET (CONT.)
RULE 2.B. ITEM 1.2. DIFFERENT SEASON TICKET SALES ALTERNATIVES ACCORDING TO THE COMPETITIONS
Revenue forecast for each alternative

## Standards for the Preparation of the Budgets of Clubs and SADs

Items/Sub-Items on the LaLiga Revenues and Expenditure Budget 1.3.3./1.4.2/1.4.3./1.5.

**CERTIFIES**

SEASON	CLUB/SAD
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THAT THE AFOREMENTIONED REVENUES ARISE FROM AND ARE BASED ON THE AGREEMENTS IN THE FOLLOWING FIRM SIGNED CONTRACT(S)	
Contract Date:	
Contracting Party Identification	
Name/Designation	
Registered Offices	
Tax Identification Number	
Summary Description of the Contract's Purpose	

SEASON	CLUB/SAD	
BUDGET ITEM	CONCEPT	THOUSANDS OF EUROS
1.4.2.	Revenue from Sponsorship Contracts and similar.	
THAT THE REVENUE BUDGETED ON THE LALIGA REVENUES AND EXPENDITURE BUDGET SUBMITTED BY THIS CLUB/SAD FOR THE ITEM AND CONCEPT STATED ABOVE IS JUSTIFIED IN ACCORDANCE WITH THE FOLLOWING CIRCUMSTANCES: (In accordance with Rule 1.5.2., the total amount in favour of the club must be broken down, the amount of the consideration to be made, if applicable, by the Club/SAD, as well as the costs directly attributable to the contract).		
THAT THE AFOREMENTIONED REVENUES ARISE FROM AND ARE BASED ON THE AGREEMENTS IN THE FOLLOWING FIRM SIGNED CONTRACT(S)		
Contract Date:		
Contracting Party Identification		
Name/Designation		
Registered Offices		
Tax Identification Number		
Summary Description of the Contract's Purpose		

SEASON	CLUB/SAD	
BUDGET ITEM	CONCEPT	THOUSANDS OF EUROS
1.4.2.	Revenue from marketing other rights not included in Sub-Items 1.4.1 and 1.4.2.	
THAT THE REVENUE BUDGETED ON THE LALIGA REVENUES AND EXPENDITURE BUDGET SUBMITTED BY THIS CLUB/SAD FOR THE ITEM AND CONCEPT STATED ABOVE IS JUSTIFIED IN ACCORDANCE WITH THE FOLLOWING CIRCUMSTANCES: (In accordance with Rule 1.5.2., the total amount in favour of the club must be broken down, the amount of the consideration to be made, if applicable, by the Club/SAD, as well as the costs directly attributable to the contract).		
THAT THE AFOREMENTIONED REVENUES ARISE FROM AND ARE BASED ON THE AGREEMENTS IN THE FOLLOWING FIRM SIGNED CONTRACT(S)		
Contract Date:		
Contracting Party Identification		
Name/Designation		
Registered Offices		
Tax Identification Number		
Summary Description of the Contract's Purpose		





SEASON	CLUB/SAD	
BUDGET ITEM	CONCEPT	THOUSANDS OF EUROS
1.4.2.	Revenue from advertising exploited directly by the Club/SAD or through the transfer to third parties. Sum of Sub-Items 1.5.1,1.5.2. y 1.5.3.	
THAT THE REVENUE BUDGETED ON THE LALIGA REVENUES AND EXPENDITURE BUDGET SUBMITTED BY THIS CLUB/SAD FOR THE ITEM AND CONCEPT STATED ABOVE IS JUSTIFIED IN ACCORDANCE WITH THE FOLLOWING CIRCUMSTANCES: (In accordance with Rule 1.5.2., the total amount in favour of the club must be broken down, the amount of the consideration to be made, if applicable, by the Club/SAD, as well as the costs directly attributable to the contract).		
THAT THE AFOREMENTIONED REVENUES ARISE FROM AND ARE BASED ON THE AGREEMENTS IN THE FOLLOWING FIRM SIGNED CONTRACT(S)		
Contract Date:		
Contracting Party Identification		
Name/Designation		
Registered Offices		
Tax Identification Number		
Summary Description of the Contract's Purpose		

And for the record, at the request of LaLiga, I issue this certification in [place], [date]

THE AUTHORISED REPRESENTATIVE

\_\_\_\_\_  
Signed: Mr [   ]

**LIGA NACIONAL DE FÚTBOL PROFESIONAL**

Standards for the Preparation of the Budgets of Clubs and SADs

**Standard Reporting Form MN 102**

Items/Sub-Items on the LaLiga Revenues and Expenditure Budget 1.6.2.

Description: Certification from the Authorised Representative on Revenue from Operating Subsidies and others.

Mr [       ], Authorised Representative of [*Name of the S.A.D. or Club*], with registered offices at [       ] and C.I.F. (Spanish tax identification number) [       ]

**CERTIFIES**

That the following is evidenced by the documentation held by this [*Club/SAD*], as of the date of this certification and for the purposes of justifying the revenues from Operating Subsidies and other provided in Item 1.6.2. on the LaLiga Revenues and Expenditure Budget submitted to LaLiga's Validation Body by [*Club/SAD*] for Season (T), and in accordance with the provisions of the Description and Valuation of Budget Items Annex:

SEASON	CLUB/SAD	
BUDGET ITEM	CONCEPT	THOUSANDS OF EUROS
1.6.2.	Operating Subsidies and Other	
THAT THE REVENUE BUDGETED ON THE LALIGA REVENUES AND EXPENDITURE BUDGET SUBMITTED BY THIS CLUB/SAD FOR THE ITEM AND CONCEPT STATED ABOVE IS JUSTIFIED IN ACCORDANCE WITH THE FOLLOWING CIRCUMSTANCES:		
THAT THE AFOREMENTIONED REVENUES ARISE FROM AND ARE BASED ON THE AGREEMENTS IN THE FOLLOWING FIRM SIGNED CONTRACT(S)		
Contract / Agreement Date:		
Identification of the Contracting Party/Entity granting the subsidy		
Name/Designation		
Registered Offices		
Tax Identification Number		
Summary Description of the Contract's Purpose/Subsidy and its conditions		

<i>[please indicate as appropriate]</i>	
THAT, AS OF THE DATE OF THIS CERTIFICATION, THE TERMS AND CONDITIONS PROVIDED UNDER THE CONTRACT/AGREEMENT BY WHICH THE SUBSIDY IS GRANTED FOR RECEIPT OF THE SAME HAVE BEEN FULLY COMPLIED WITH AND THE SUBSIDY IS EXPECTED TO BE RECEIVED, FOR THE AMOUNT STATED ON THE LALIGA REVENUES AND EXPENDITURE BUDGET, DURING SEASON T[ ].	
THAT THE TERMS AND CONDITIONS PROVIDED UNDER THE CONTRACT/AGREEMENT BY WHICH THE SUBSIDY IS GRANTED FOR RECEIPT OF THE SAME ARE EXPECTED TO BE FULLY COMPLIED WITH AND THE SUBSIDY RECEIVED, FOR THE AMOUNT STATED ON THE LALIGA REVENUES AND EXPENDITURE BUDGET, DURING SEASON T[ ].	

And for the record, at the request of LaLiga, I issue this certification in [place], [date]

THE AUTHORISED REPRESENTATIVE

\_\_\_\_\_  
Signed: Mr [     ]



**LIGA NACIONAL DE FÚTBOL PROFESIONAL**  
Standards for the Preparation of the Budgets of Clubs and SADs

**Standard Reporting Form MN 104**

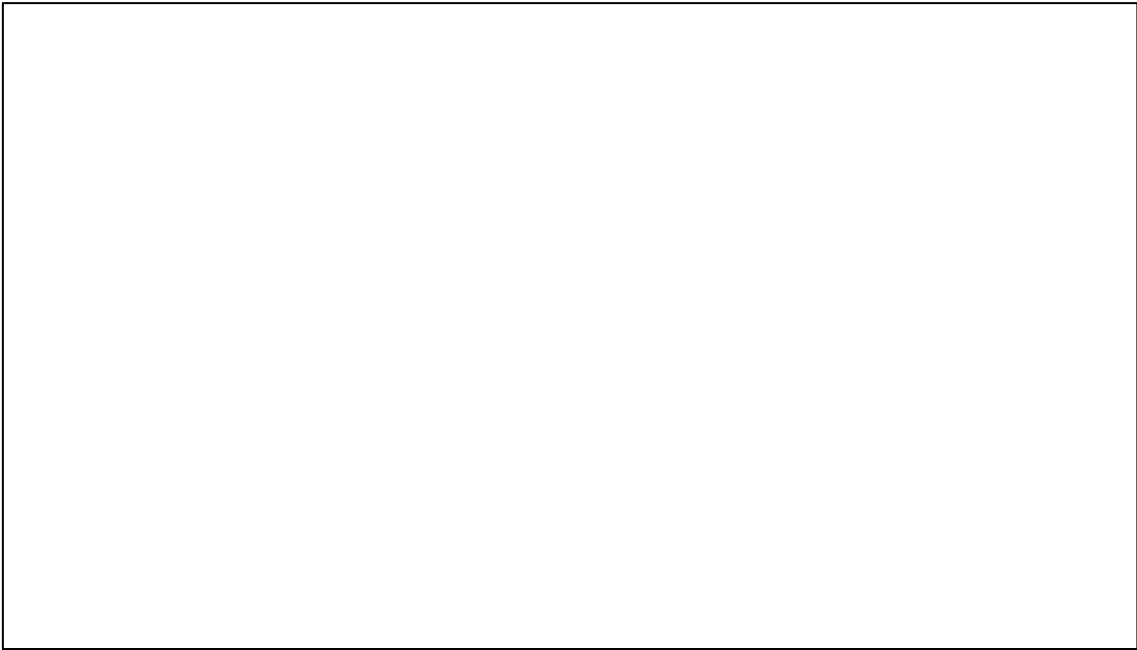
Items/Sub-Items on the LaLiga Revenues and Expenditure Budget 1.6.3.  
Description: Certification from the Authorised Representative on Work performed for the entity.

Mr [ ], Authorised Representative of [name of the S.A.D. or Club], with registered offices at [ ] and C.I.F. (Spanish tax identification number) [ ]

**CERTIFIES**

That the following is evidenced by the documentation held by this [Club/SAD], as of the date of this certification and for the purposes of justifying the amount provided in Item 1.6.3. on the LaLiga Revenues and Expenditure Budget submitted to LaLiga's Validation Body by [Club/SAD] for Season (T), and in accordance with the provisions of the Description and Valuation of Budget Items Annex:

BUDGET ITEM	CONCEPT	Thousands of euros
1.6.3.	<b>Work performed for the entity and others. Offsetting item for the expenses incurred by the Club for its fixed assets, using its equipment and staff, which are activated.</b>	
THAT THE AFOREMENTIONED AMOUNT BUDGETED ON THE LALIGA REVENUES AND EXPENDITURE BUDGET SUBMITTED BY THIS CLUB/SAD FOR THE ITEM AND CONCEPT STATED ABOVE IS JUSTIFIED IN ACCORDANCE WITH THE FOLLOWING:		



And for the record, at the request of LaLiga, I issue this certification in [place], [date]

**THE AUTHORISED REPRESENTATIVE**

\_\_\_\_\_  
Signed: Mr [    ]



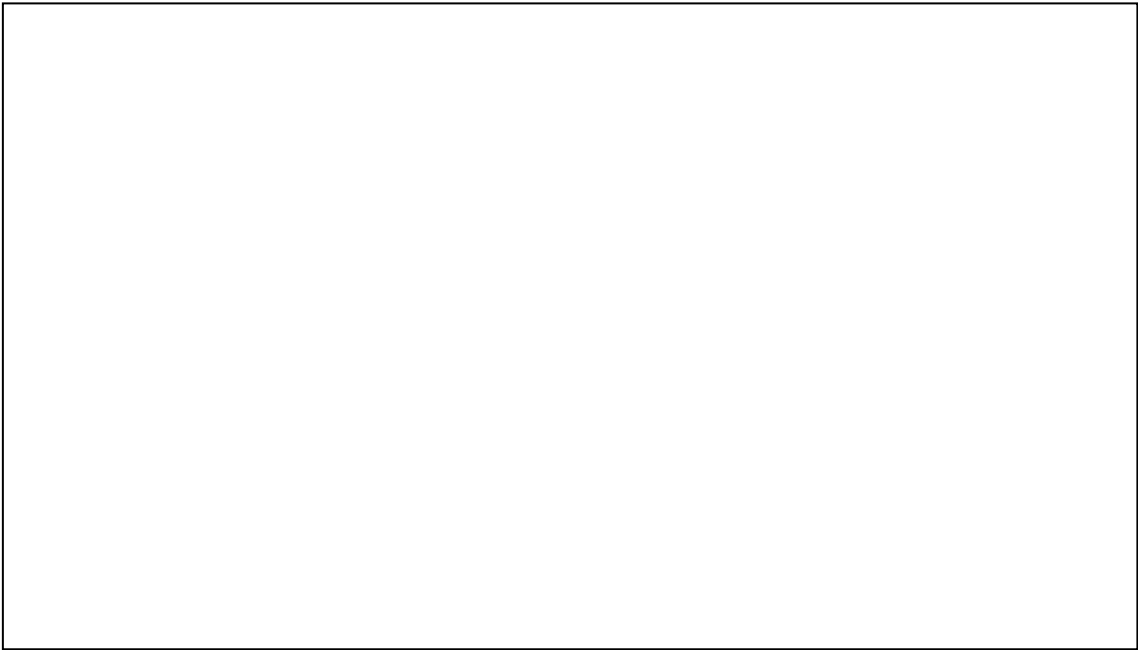
**LIGA NACIONAL DE FÚTBOL PROFESIONAL**  
Standards for the Preparation of the Budgets of Clubs and SADs

**Standard Reporting Form MN 105**  
Items/Sub-Items on the LaLiga Revenues and Expenditure Budget 5. (Rule 2)  
Description: Certification from the Authorised Representative on assumptions supporting the amount of the purchases of products to be sold in Official Shops

Mr [ ], AUTHORISED REPRESENTATIVE OF [*name of the S.A.D. or Club*], with registered offices at [ ] and C.I.F. (Spanish tax identification number) [ ]  
**CERTIFIES**

That the following is evidenced by the documentation held by this [*Club/SAD*], as of the date of this certification and for the purposes of justifying the amount of the purchases of products to be sold in the Club/SAD's official shops in accordance with the requirements of Rule 2 for Item 5 on the LaLiga Revenues and Expenditure Budget submitted to LaLiga's Validation Body by [*Club/SAD*] for Season (T), and in accordance with the provisions of the Description and Valuation of Budget Items Annex:

BUDGET ITEM	CONCEPT	THOUSANDS OF EUROS
5	Purchases of products to be sold in the Club/SAD's official shops	
THAT THE AFOREMENTIONED AMOUNT BUDGETED ON THE LALIGA REVENUES AND EXPENDITURE BUDGET SUBMITTED BY THIS CLUB/SAD FOR THE ITEM AND CONCEPT STATED ABOVE IS JUSTIFIED IN ACCORDANCE WITH THE FOLLOWING ASSUMPTIONS:		



And for the record, at the request of LaLiga, I issue this certification in [place], [date]

THE AUTHORISED REPRESENTATIVE

\_\_\_\_\_  
Signed: Mr [     ]

**LIGA NACIONAL DE FÚTBOL PROFESIONAL**  
Standards for the Preparation of the Budgets of Clubs and SADs

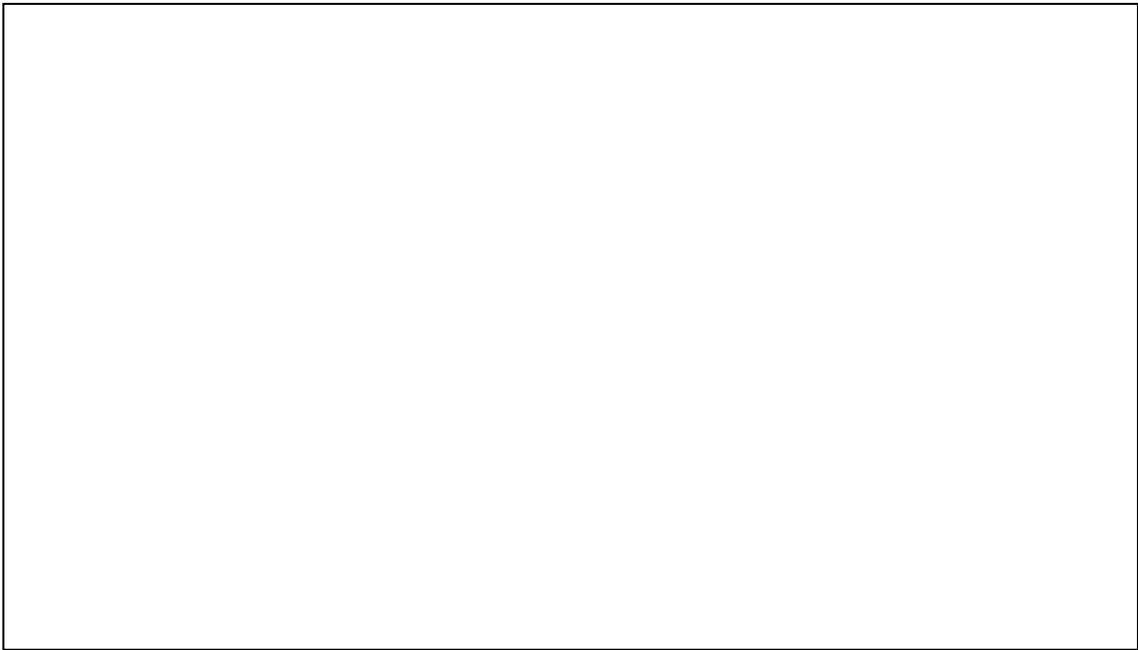
**Standard Reporting Form MN 106**  
Items/Sub-Items on the LaLiga Revenues and Expenditure Budget: 6.1.  
Description: Certification from the Authorised Representative on the justification of the amortisation of Tangible Fixed Assets consisting of Sports Facilities

Mr [ ], Authorised Representative of [*name of the S.A.D. or Club*], with registered offices at [ ] and C.I.F. (Spanish tax identification number) [ ]

**CERTIFIES**

That the following is evidenced by the documentation held by this [*Club/SAD*], as of the date of this certification and for the purposes of justifying the amount of the Amortisation of Tangible Fixed Assets consisting of Sports Facilities, included in Item 6.1. on the LaLiga Revenues and Expenditure Budget submitted to LaLiga's Validation Body by [*Club/SAD*] for Season (T), and in accordance with the provisions of the Description and Valuation of Budget Items Annex:

Budget Item	Concept	Thousands of euros
6	<b>Amortisation of Tangible Fixed Assets consisting of Sports Facilities</b>	
THAT THE AFOREMENTIONED AMOUNT BUDGETED ON THE LALIGA REVENUES AND EXPENDITURE BUDGET SUBMITTED BY THIS CLUB/SAD FOR THE ITEM AND CONCEPT STATED ABOVE IS JUSTIFIED IN ACCORDANCE WITH THE FOLLOWING:		



And for the record, at the request of LaLiga, I issue this certification in [place], [date]

**THE AUTHORISED REPRESENTATIVE**

\_\_\_\_\_  
Signed: Mr [     ]

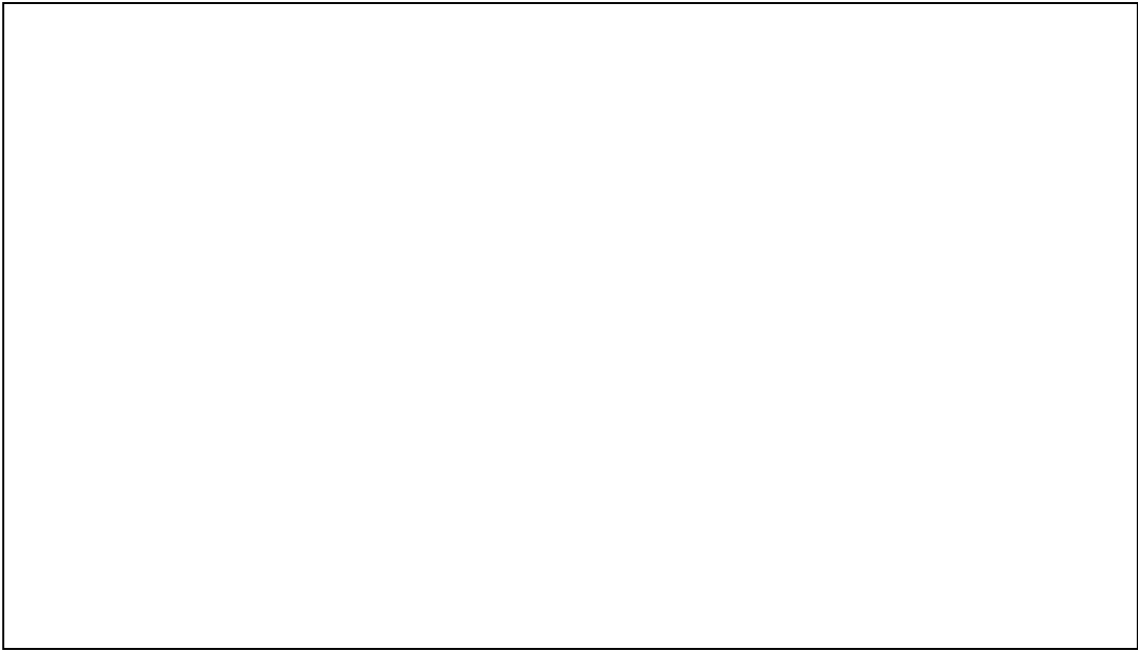
**LIGA NACIONAL DE FÚTBOL PROFESIONAL**  
Standards for the Preparation of the Budgets of Clubs and SADs

**Standard Reporting Form MN 107**  
Items/Sub-Items on the LaLiga Revenues and Expenditure Budget: 9.1/9.3/9.4./10  
Description: Certification from the Authorised Representative on the Profits/Losses generated to 31 January Season T-1.

Mr [     ], Authorised Representative of [name of the S.A.D. or Club], with registered offices at [     ] and C.I.F. (Spanish tax identification number) [     ]  
**CERTIFIES**

That, as evidenced by the documentation held by this [Club/SAD] and in accordance with the provisions of Items/Sub-Items on the LaLiga Revenues and Expenditure Budget 9.1/9.3/9.4./10/11, as of 31 January Season (T-1), the Profits/Losses set out below have been obtained:

Budget Item	Concept	Thousands of euros Profits (LOSSES)
9.1	Profits/Losses from the Transfer of Players' Federative Rights.	
9.3	Proceeds from fixed assets and one-off revenues.	
9.4	Losses from fixed assets and one-off expenses.	
10	Other Profits (Losses)	
THAT THE PROFITS/LOSSES SET OUT ABOVE ARE JUSTIFIED IN ACCORDANCE WITH THE FOLLOWING CIRCUMSTANCES/DOCUMENTS:		



And for the record, at the request of LaLiga, I issue this certification in [place], [date]

**THE AUTHORISED REPRESENTATIVE**

\_\_\_\_\_  
Signed: Mr [     ]



LIGA NACIONAL DE FÚTBOL PROFESIONAL  
ECONOMIC CONTROL MANAGEMENT