



# **STANDARDS FOR THE PREPARATION OF THE BUDGETS OF CLUBS AND PUBLIC LIMITED SPORTS COMPANIES**

LALIGA

4 December 2018

**LALIGA**

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

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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

After two seasons of applying the aforementioned Standards, the experience thereby acquired has advised a review of these Standards which, while maintaining their purposes and essential content, is intended to address certain shortcomings, provide greater clarity in some respects and establish a more organised and systematic structure, ultimately, to take advantage of and incorporate the lessons learned from their practical application, with the ultimate goal of adding legal certainty and aid the understanding and application thereof by the Clubs and SADs affiliated with LaLiga.

The Executive Committee, at its meeting held on 20 September 2016, approved the revised *Standards for the Preparation of the Budgets of Clubs and Public Limited Sports Companies*:

### V

These Standards have been amended with certain specific aspects to be included, in addition to a new model for the Investment and Disinvestment Budget (Annex II), certain changes in verification procedures, in the Acceptable Economic and Financial Ratios, rules that contemplate the treatment of investment made by Clubs/SADs in new stadiums and sports facilities or the improvement thereof for the purpose of said Ratios, the assessment of transactions with third parties, the proportion of squad expenses, the calculation of Collective Bonuses for promotion, and other concepts (salary claims, net compensation, federation licence fees, loans of players from dependent teams, promotion to a different category) in order to determine the Squad cost; specific modifications in budget balancing; specific rules for limiting Clubs/SADs' squad costs when certain ratios are not attained; additional rules for increasing the limits of squad costs and exceptional cases of long-term suspensions of players; the new limit and distribution over time of increases from Contributions; percentage of variables; regulations for Clubs/SADs which have surpassed the cost limit,

A provisional regime has been set up to consider the costs of women's football.

Likewise, the ANNEX DESCRIBING BUDGET ITEMS AND RULES AND CRITERIA FOR ASSESSMENT (LEAGUE INCOME AND EXPENSE BUDGET) has been amended, showing a breakdown of certain Items and Sub-items and changes in some rules and assessment criteria. The Delegate Commission approved the amendment of the **rules for drawing up budgets by Clubs and Public Limited Sports Companies** at the meeting held on the thirty-first (31) January 2017.

## VI

During meetings held on four (4) December 2018, the Delegate Committee approved certain modifications to the Standards, which are inserted into the consolidated text of the standards included below.

## 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.

#### 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 SECOND DIVISION B TO SECOND DIVISION A.

The Standards apply equally to Clubs/SADs promoted from the Second Division B 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 Breakeven 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 **Breakeven 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 Breakeven Point is met.
  - e) Additional verification and **reporting** obligations.
  - f) 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.**

1. 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, by using the full integration method.
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).

## **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 1st July to the 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.

## **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 in its Abridged Version (Annex I.3) 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.
3. The LaLiga Revenues and Expenditure Budget has the Abridged Version, which is described in **ANNEX I.3** and which can be used by the Clubs/SADs that meet the Acceptable Economic and Financial Ratios covered in Section Five of this Chapter.
4. The provisions of the abovementioned ***DESCRIPTION OF BUDGET ITEMS AND VALUATION CRITERIA AND RULES ANNEX*** are also applied to the LaLiga Revenues and Expenditure Budget in the Abridged Version.

#### **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 PERCENT (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.
- 3. As an exception to the provisions of paragraph 2 above:
  - a) 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.
  - b) In contrast, for Clubs/SADs that are relegated in Season T, the maximum amount to be projected as Investments in LaLiga registrable Player Federative Rights for Season T will be one third (1/3) of the amount of the Investments made or Estimated to be made 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 PERCENT (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.

#### **ARTICLE 17. LALIGA TREASURY BUDGET (ANNEX IV).**

- 1. The **Treasury Budget** will be submitted on a monthly basis.
- 2. It 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, IVA/VAT...).
  - 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 PERCENT (30%) of the total amount earmarked for Investments in such Rights.

4. Charges for Divestments in Economic-Financial Rights/Federative Player Rights will be calculated in the LaLiga Treasury Budget based on a maximum amount of THIRTY PERCENT (30%) of the amount budgeted in the LaLiga Investments and Divestments Budget.
5. The limit stated in section 4 above may be increased if the Club/SAD provides evidence to LaLiga's Validation Body that it has effectively received an amount in excess of 30% for Divestments that may have been made during the Seasons in question by the transfer of Economic-Financial Rights/Federative Player Rights, prior to the end of the corresponding Season for making the divestment, in each of Seasons T-1 and T-2 . In this case, the LaLiga Treasury Budget may consider charges in excess of the aforementioned 30%, with the percentage for which the Club/SAD provides sufficient evidence to the Validation Body, for charges made in Seasons T-1 and T-2 for divestments made during those Seasons.
6. In any case, any Clubs/SADs whose Divestments of Economic-Financial Rights/Federative Rights in Seasons T-1 and T-2 have not exceeded an average of TEN PERCENT (10%) of their Turnover budgeted for T may not consider charges derived from the Divestments for the stated concept in excess of the aforementioned THIRTY PERCENT (30%) in the LaLiga Treasury Budget.

### ***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 in conjunction prepare and submit the following **Additional Information**:
  - a) 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 the appropriate information for 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 Claims 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.
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 and
    - (ii) identifying possible differences in proportionality between the respective Squad Costs on the amount allocated by the Validation Body.
    - (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 (except for what is set forth in sections c) and d)) shall be presented as per the Standard MN 7 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, containing at least the following information:

The differences – as more or as less – which may exist between the amount budgeted by the Club/SAD and accepted by the Validation Body as Incentives and the real amount for said concept in the Season and the amount of said differences.

Details 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 (to 31st August) 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 III 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.
2. For the purpose of the provisions of these Standards:
  - a) Bankruptcy Debt shall be considered any new debts related to the financing provided to the Club/SAD for cancelling Bankruptcy Debt.
  - b) The Bankruptcy Proceedings of the Club/SAD shall not be deemed complete until cancellation of the new debt arising from the financing that is received by the Club/SAD and is earmarked for the cancellation of Bankruptcy Debt.

The provisions of this section 2 shall not apply when the financing provided to the Club/SAD comes from shareholders or associates, and it is set up as a participative loan that:

- (i) Meets the requirements laid down in Article 20 of Royal Decree-Law 7/1996, of 7 June, on urgent fiscal measures to promote and liberalise economic activity, particularly its consideration of subordinated debt.
- (ii) In all cases, it has been agreed in the corresponding contract that the amount of the loan to be repaid by the Club/SAD during each season may not exceed the amount of Resources Generated (according to the definition in the Definitions Annex) during the preceding Season.
- (iii) In any case, the corresponding contract contains an agreement that the amount of the loan to be repaid by the Club/SAD during each season may not exceed the total Resources Generated (according to the definition in the Definitions Annex) during the preceding 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 in their Abridged Versions (**Annex I.3**), to which Article 14.3. refers, and will not be required to submit the other LaLiga Budgets or the Additional Information.
2. In all cases, these Clubs/SADs must submit:
  - a) The Explanatory Notes and the Statement of Compliance, and
  - b) Within a period that will end on thirty-one (31) July of Season T, an Estimate of the Profit and Loss Account for Season T-1, with the same level of detail as it is set out in Annex I for the LaLiga



Revenues and Expenditure Budget for Season T, adding, with the aforementioned level of detail, the appropriate 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 submitting certain LaLiga Budgets and information, and from obligations and limitations considered in sections 1 and 3 above, shall not apply if it can be reasonably deduced from the LaLiga Revenues and Expenditure Budget submitted by the Club/SAD complying with the Acceptable Financial and Economic Ratios that it will not comply with them at the end of Season T.

#### 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 which plan to play in the First Division in Season T

Its Equity at the end of Season T-2 is higher than the percentages included in the following table, according to the Season, of the figure resulting from subtracting the amounts corresponding to the following concepts from its Total Outstanding Liabilities on thirty (30) June of T-2 with maturities of FIVE (5) years or less:

- Liabilities for deferred tax.
- Credit against other Clubs/SADs and sports companies deriving from definitive or temporary transfer operations for the federative rights of Players and Technical Staff.
- Cash on thirty (30) June of T-2.
- Equivalent net assets on thirty (30) June of T-2.

And in any case, the Net Worth should not be equivalent to or greater than 40,000,000 Euros.

Percentages to be applied:

Season	Percentage
2018/2019	30
2019/2020	35
2020/2021 and following	40

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

The percentage shown in paragraph A above is fixed at SIXTY (60) PERCENT and the Net Worth should be equivalent to or greater than the following amounts:

Season	Amount
2017/2018	6,000,000 €
2018/2019	7,000,000 €
2019/2020 and following	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-2, corrected with the following coefficients according to Season T and the Sports Category:

Season T	First Division	Second Division A
2017/2018	1.10	0.70
2018/2019	1	0.60
2019/2020	0.90	0.50
2020/2021 and following	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.
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) The means of financing said Investments, whether with own or third-party resources, 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 deduced 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 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 within the period ending twelve (12) 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 12 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 twelve (12) 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).

Nevertheless, the period defined in the above paragraph may be extended a further 12 months with good cause and on the request of the Club to the Validation Body of La Liga, provided that the quotient of the amount of the investment made in the first 36 months divided by 36 is greater than 4.

$(\text{Accumulated Investment made in the first 36 months of implementation} / 36 > 4)$

### 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) 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 (calculated in accordance with 3.2.a)

<b>Season T-1</b>	<b>Corrective coefficient</b>
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. Provisional period before these rules come into force.**

The rules established in this section 3 shall be applied exclusively to Investments which come into operation on or after the first day of July 2016, and for those which have been in progress since 31 December 2016, and which in any case have not been idle as defined in paragraph 3.1.d).

**3.6. 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 10th April, Season T-1.

***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 30th 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.
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 15th 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 in its Abridged Version, 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 in its Abridged Version.

### **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.
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 1st January and 30th 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 shall be exclusively applied to Clubs/SADs which do not present Acceptable Economic and Financial Ratios.
  - b) Reasonable 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 section 2 above, and may, if it deems fit, use the services of an independent appraisal expert for said valuation in accordance with the above criteria.

#### **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.
- 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

### ***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 Breakeven 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 Breakeven Point, without prejudice to the powers of the Validation Body to assign a Limit to such Cost.



1. Notwithstanding the foregoing and as an exception to the general principle, any Clubs/SADs playing in the Second Division A Sports Category shall in all cases be assigned, under the rules and special conditions laid down in the final paragraph (namely, even if the Budgetary Break-Even Point is not thereby reached), a Limit on Squad Costs of at least FORTY PERCENT (40%) of the budgeted Net Revenue accepted by the Validation Body for season T, with the adjustments and corrections indicated below. This percentage may be higher, provided that the Budgetary Break-Even Point is met.

In this event, the following additional specific rules shall apply:

- a) For purposes of this section 3, for determining the Budgeted Net Turnover,
  - (i) Revenue from operations with an exchange or swap clause, which therefore imply an associated cost, shall not be taken into account, unless they are less than the Revenue, and in this case the difference shall be taken into account.
  - (ii) A Net Turnover in excess of that recorded by the Club/SAD during the Season of its last participation in the Second Division A Sports Category may not be considered, unless it is explained by an increase in revenue related to television broadcast rights.
- b) The total amount of remuneration pending payment to first team squad Players and coaching staff accrued in Season T-1, even though a consequence of postponement agreements with creditors, shall, by the same amount, reduce the Limit on Squad Cost resulting from the application of the aforementioned percentage of 40%.
- c) Clubs/SADs to which this section 3 applies may neither benefit from nor apply the provisions established in Article 100 of these Standards, which sets out the particular standard for Clubs/SADs exceeding the Limit on Registrable Squad Costs that meet certain conditions.
- d) If application of the general rules established in these Standards mathematically results in a negative Limit on Squad Costs, the aforementioned percentage of FORTY PERCENT (40%) shall be lowered to THIRTY PERCENT (30%).
- e) This rule contained in this paragraph 3 may not be applied to Clubs/SADs with past due and payable amounts of which the creditors are Governments and/or Clubs/SADs.
- f) The Clubs/SADs to which this section 3 applies must enter the Real Squad Cost of their Non-Registrable Squad on Standard Reporting Form MN 23, and the following additional rules shall apply
  - (i) The total Cost amount included on the aforementioned Standard Reporting Form MN23 may at no time exceed the cost resulting from the application of the valuation standards for Season T, therefore applying the provisions of Article 41 of these Standards for calculating the Cost of Players who are newly contracted or received on temporary loan.
  - (ii) The aforementioned Standard Reporting Form MN 23 referring to the dates of 30 June of Season T-1 and 1 July of Season T must be submitted within a period 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 date of registration of the Club/SAD in LaLiga
  - (iv) The submission of the aforementioned Standard Reporting Form MN 23 shall be essential for registering the Players of the corresponding Club/SAD in LaLiga

Form MN 23 must be kept up to date throughout the Season. As modifications are made to the Non-Registrable Squad Cost

## **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. In the Non-registrable Squad Cost, the squad cost for Sport Sections other than eleven-a-side football are also included.
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 said proportion for Season T-1 is greater than that in Season T-2, the Club/SAD may request the amendment of the proportion budgeted for Season T.
4. For this purpose, the Club/SAD shall present a request in this sense, and the Authorized 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 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. 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.
  - 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.
  - d) The Players who, as of the date of submission of the information on the registrable squad, whether initial or an update, and 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 Coaching Staff who are not covered by paragraph 1 above will be considered as Non-registrable Squad.

#### **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.
  - 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) 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.
  - 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) The amount of the accounting loss, where appropriate, will be entered as a result of the conclusion or termination of the contractual relationship with a Player or Trainer, whatever the reason for it, including the Transfer of Federative Rights.
  - 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) PERCENT 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, excepting justification 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 presentation of the Updated Budget as set forth in article 29.

- i) At least TWENTY-FIVE (25) PERCENT 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 PERCENT (25%) of the acquisition price of the Federative Rights subject to a Right to Purchase, in the case in which the Club/SAD 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.

- 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 capitalizable 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 capitalizable cost.
4. In any case, for salaries, amounts that are lower than those established by the applicable professional football Collective Bargaining Agreement may not be calculated or budgeted.
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 percent (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 Inscriptible Squad Cost limit assigned to the Club/SAD for Season T and depending on the number of Players ceded in the above circumstances.

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

SIX (6) or more	7.0%
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- c) As the Inscriptible 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) Players that are in any of the following circumstances will not be taken into account for determining the number of transferred Players:
  - (i) If they are transferred to a Club/SAD that, during Season T, will play in the First Division, they have not played more than FOUR (4) official matches during any of Seasons T-2, T-1 or T in the highest sports categories of the professional leagues of Spain, England, Italy, Germany, France, The Netherlands, Turkey, Argentina and/or Brazil, or they have not made an official match début on the absolute national teams of any of the aforementioned countries. An official game shall be deemed to have been played when the player has participated in it for at least 45 minutes.
  - (ii) If they are transferred to a Club/SAD that, during season T, will play in the Second Division, they have not played more than FOUR (4) official matches during any of Seasons T-2, T-1 or T in the highest sports categories of the professional leagues of Spain, England, Italy, Germany, France, The Netherlands, Turkey, Argentina and/or Brazil, or they have not made an official match début on the under-21s or absolute national teams of any of the aforementioned countries. An official game shall be deemed to have been played when the player has participated in it for at least 45 minutes.
  - (iii) For the summer registration period, any Players who have not played in more than Eight (8) matches of national, foreign or international Official Competitions overall within the last sixteen match dates of the competitions in question (cumulative) played by their Club/SAD of origin, shall not be counted; for the winter inscription period, any Players who have not played in more than four (4) matches during the period between the previous 1 July and the effective date of the Temporary Transfer or the Transfer of Federative Rights with Repurchase Option Rights. The same time criteria as established in sections (i) and (ii) above shall be applied to determine the number of official matches. (45 minutes).
  - (iv) For the purposes of this section d), “highest sports categories” are defined as the first and second divisions of the professional leagues in Spain, England, Germany and Italy. In the rest of the 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. If the contracting of a Player considers an extension of their duration to additional, optional Seasons, then the applicable amortisation amount shall be calculated as a Squad Cost, therefore only taking into account the Seasons whose duration is mandatory for both parties.
10. In the event that the quantification of the price, indemnification or compensation that must be paid by the Club/SAD that registers the Player with the Club/SAD of origin or with the trainer 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 calculated as part of the Registrable Squad Cost.
11. If there is a transaction between Clubs/SADs that includes an exchange or swap of Federative Player Rights, then the Validation Body may request that the Valuation Committee, made up of experts independent from LaLiga, conduct an independent valuation of the respective Federative Rights that are transferred and exchanged or swapped. The result of this independent valuation shall be used to

calculate the Squad Cost Limit of the Clubs/SADs that are party to the operation and that are affiliated with LaLiga.

Clubs/SADs that have applied for and have benefited from the classification of Acceptable Financial and Economic Ratios are excepted from the application of this rule.

An exchange of Federative Player Rights shall be deemed to have occurred if the concurrence of the swap or exchange of Federative Player Rights can be reasonably deduced from the information available to the Validation Body, despite the name or apparent structure of the operation or its mode or method of formal execution by the parties to the same.

The cost, including fees, of the independent valuation shall be paid by the Club/SAD if its result is less than FIFTEEN PERCENT (15%) of the valuation established by the Club/SAD.

12. If a Player completes the contract duration during Season T-1, and a contractual renewal is agreed, which involves the extension of the duration of the Player's contract based on achieving certain sporting objectives or objectives of any other nature, then the new or renewed contract shall only be accepted for registration with LaLiga if the Squad Cost Limit granted to the Club/SAD that intends to register the new contract is not exceeded.

#### **ARTICLE 40. ADJUSTMENTS TO THE VARIABLE REMUNERATION OF PLAYERS AND COACHING STAFF.**

In any case, if, in the opinion of the Validation Body following the criterion 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 Coaching Staff 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 same will be considered, for the purposes of calculating the Squad Cost, as fixed remuneration.

#### **ARTICLE 41. SPECIAL RULES FOR CALCULATING THE COST ATTRIBUTABLE TO THE REGISTRABLE SQUAD COST FOR REMUNERATION TO PLAYERS AND COACHING STAFF OF CLUBS/SADS THAT PLAY IN THE SECOND DIVISION SPORTS CATEGORY**

1. For any Clubs/SADs participating in the Second Division A Category in Season T, the annual Cost of each newly registered Player or Coaching staff member, or those with renewed contracts, subject to calculation for the Registrable Squad Cost, shall be calculated by applying the specific rules contained in this article, in addition to the general rules established by Articles 39 and related articles of these Standards.
2. Common rules
  - a) If the Club/SAD experiences a Sports Category promotion or relegation during the duration of the contract of a Player or Coaching Staff member, then the attributable cost valuations shall be those resulting from application of the rules contained in this article, unless the contract is amended or renewed. The aforementioned rules shall be applied to the new remunerations or durations.
  - b) In all cases, one football season of contract duration is, in any event, deemed to be complete if the contracting or renewal of the Player or Coaching Staff member is formalised prior to ONE (1) December of the Season in question.
  - c) The remuneration contractually agreed by the parties shall be counted as a squad cost in the following cases:
    - (i) Players who, during Season T-1, have suffered a long-term injury, accepted by the LaLiga Medical Committee.
    - (ii) Field players who are over 36 years of age for the entire Season T,
    - (iii) Goalkeepers who are over 38 years of age for the entire Season T,

- d) The aforementioned sum of the Player's salary plus the price of the Temporary Transfer of Federative Rights paid by the transferee is calculated for the purposes of valuation.
- e) For the purposes of these Rules, a Player is deemed to have participated in one **official match** for a Club/SAD (or the national team if applicable) if the player has played in the match for at least FORTY FIVE (45) minutes.
- f) An official match is defined as a match played in a Clubs competition organised by a Professional Federation or League.
- g) For the purposes of this article, "highest sports categories" are defined as the first and second divisions of the professional leagues in Spain, England, Germany and Italy. Only the first or the highest division in the rest of the aforementioned leagues.

3. Rules for when the agreed remuneration between two or more Seasons of Contract duration is increased by more than certain percentages

- a) If the duration of the contract between the Club/SAD and the respective Player or Coaching Staff member encompasses TWO (2) full football seasons, counting Season T as the first, an increase in remuneration in the second Season by more than THIRTY PERCENT (30%) over the previous Season may not be considered. Otherwise, a sufficient amount of the excess shall be assigned to the Cost of the first Season until the maximum percentage increase in question is met.
- b) If the duration of the contract is in excess of TWO (2) football seasons, counting Season T as the first, the rules set out below shall be followed:
  - (i) If the remunerations for any of the Seasons of contract duration of the Player or Coaching Staff member are increased by more than THIRTY PERCENT (30%) with regard to the previous season, then the remunerations for all of the Seasons of contract duration shall be added together, and the remunerations for each of the seasons shall be adjusted by the minimum amount necessary to ensure that the aforementioned increase of 30% is not exceeded, for the purposes of the assignment thereof to the Squad Cost.
  - (ii) The final Season of contract duration shall only form part of the calculation referred to in the preceding rule (i) if:
    - a. The remunerations agreed for this last Season are higher than the second season, in the case of a contract with a duration of THREE (3) seasons, or
    - b. The remunerations agreed for this last Season are higher than the average of the remunerations agreed for all the Seasons of contract duration, with the exception of the first and the last, if the duration of the contract exceeds THREE (3) football seasons.
  - (iii) If the result of the aforementioned adjustments considered in this paragraph 2. b) is an amount that is lower than the contractually agreed remuneration for the Player or Coaching Staff member for Season T, then the latter amount shall be considered in all cases.
- c) In the event that the player or Coaching Staff member has been contracted for at least the THREE (3) preceding full and consecutive Seasons with the same Club/SAD and is also younger than 23 years of age throughout season T, then the percentage considered in sections a) and b) above shall be FIFTY (50) PERCENT instead of 30%.
- d) For cases of contracts with Players or Coaching Staff members that include periods with a duration of less than one full football Season, these rules shall be applied in proportion to the duration of the contract with regard to the entire Season, for the purpose of determining whether or not increases in agreed remunerations exceed the percentage limits laid down above, without prejudice to the limits established in Common Rule 2.b) of this article
- e) Examples illustrating the application of the rules contained in section 3. b)

Example 1			
Contract duration	Season 1.	Season. 2	Season 3.



Agreed remuneration	100	200	300
Adjusted for Squad Cost	150	195	255

Example 2			
Contract duration	Season 1.	Season. 2	Season 3.
Agreed remuneration	100	200	100
Adjusted for Squad Cost	130	170	100

Example 3				
Contract duration	Season 1.	Season. 2	Season 3.	Season 4.
Agreed remuneration	100	200	200	400
Adjusted for Squad Cost	145	190	246	319

Example 4			
Contract duration	Season 1.	Season. 2	Season 3.
Agreed remuneration	100	200	185
Adjusted for Squad Cost	130	170	185

Example 5			
Contract duration	Season 1.	Season. 2	Season 3.
Agreed remuneration	100	900	800
Adjusted for Squad Cost	435	565	800
Note: Season 3 remunerations are not higher than those of Season 2			

Example 6			
Contract duration	Season 1.	Season. 2	Season 3.
Agreed remuneration	100	900	400
Adjusted for Squad Cost	435	565	400
Note: Season 3 remunerations are not higher than those of Season 2			

Example 7				
Contract duration	Season 1.	Season. 2	Season 3.	Season 4.
Agreed remuneration	100	1000	600	100
Adjusted for Squad Cost	426	554	720	100

Note: Season 4 remunerations are not higher than the average remunerations of Seasons 2 and 3

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

As from the third Player or Coaching Staff member of the Club/SAD onward, whose computable Cost should be adjusted according to the rules laid down in section 3 of this article, the annual individual Cost thereof for Season T that is attributable to the Squad Cost shall be the same as the cost of the Season of contract duration with the highest amount of remunerations agreed in the same; and for the rest of the Seasons of contract duration that are pending, the average of the agreed remunerations shall be assigned, without including the remunerations assigned in Season T.

5. If remunerations are decreased.

If there is an agreement to **reduce the remunerations** of a Player or Coaching Staff member registered on the squad of a Club/SAD, then the remuneration that the Player or Coaching Staff member had been earning prior to the aforementioned reduction shall be calculated as a Registrable Squad Cost for Season T, unless the duration of the contract is extended and the rules laid down in the previous sections 3 and 4 are complied with.

6. Cases of calculating the Attributable Cost based on the remunerations of Players who may have played in official games for Clubs/SADs that in turn have played in certain professional competitions and sports categories.

a) The Cost assigned to the Registrable Squad Cost for a Player who meets the circumstances and conditions indicated below shall, for each and every one of the Seasons of the Player's contract duration, be at least FIFTY PERCENT (50) of the remuneration earned by the Player over Seasons T-2 and T-1, whichever is greater, at the Club/SAD for which the Player may have provided their services.

(i) First case: The Player has played:

- a. In Seasons T-1 or T-2 in at least TWENTY (20) official matches, provided that at least EIGHT (8) of them were in Season T-1, or in FOUR (4) official matches in Season T, and
- b. For a Club/SAD that competes in the highest sports categories of the professional leagues of Spain, England, Italy, Germany, France, The Netherlands, Turkey, Argentina or Brazil, or for a Club/SAD that has participated during T-1 in European competitions.

(ii) Second case. The Player has played:

- a. In Season T-1 or T-2 in at least TWENTY (20) official matches, provided that at least EIGHT (8) of them were in Season T-1, or in FOUR (4) official matches in Season T, and
- b. For a Club/SAD competing in the highest sports categories of the professional leagues of the People's Republic of China and the United States of America, and
- c. As long as the Player has played during Seasons T-2, T-3 or T-4 in at least TWENTY (20) official matches for a Club/SAD that competes in the highest sports categories of the professional leagues of Spain, England, Italy, Germany, France, The Netherlands, Turkey, Argentina or Brazil, or for a Club/SAD that has participated during Seasons T-1, T-2, T-3 or T-4 in European competitions.

b) If it is not possible to accredit the remunerations earned by the Player in the events described in paragraphs a) (i) and a) (ii), the remuneration that will be counted shall be six times the minimum wage established in the Collective Bargaining Agreement for professional football for the corresponding Sport Category.

7. Temporary transfers of Federative Player Rights

a) When a Club/SAD temporarily receives the Federative Rights of a Player from another Club/SAD, remunerations resulting from the rules laid down in the following sections shall be counted for

the purposes of calculating the Registrable Squad Cost, in accordance with the conditions and circumstances of the transferred player and of the transferring Club/SAD, according to the different cases that are considered.

b) Common rules.

- (i) The rules included in this section 7 are understood without prejudice to the provisions of section 37.9 b) of these Standards on the valuation of Temporary Transfer operations between related parties, the application of which will take precedence in any event.
  - (ii) In any case, for purposes of the provisions of this section 7, a Temporary Transfer of the Federative Rights shall be deemed to exist in Federative Rights Transmission Operations when the Validation Body can reasonably deduce, through the circumstances of the operation, through the contractual conditions or through statements by those affected, that the operation has the effects of a Temporary Transfer of Federative Rights.
- c) The remunerations contractually agreed on between the parties shall be calculated, in all cases, at a minimum of the wage agreed on in the Collective Bargaining Agreement for Professional Football corresponding to the Sports Category, in events in which any of the following circumstances arise:
- (i) If the Player has not played more than FOUR (4) official matches (or EIGHT (8) in the case of Players under 23 years of age who have been contracted for at least THREE (3) full Seasons by the transferring Club/SAD), in any of Seasons T-2, T-1 or T, for a Club/SAD that competes in the highest sports categories of the professional leagues of Spain, England, Italy, Germany, France, The Netherlands, Turkey, Argentina or Brazil, or  
  
If the Club/SAD has not competed in the aforementioned leagues, but has competed in European competitions in T-1, or
  - (ii) The Player has not made an official match *début* on the absolute national teams of any of the countries mentioned in paragraph a. above
- d) If the Player does not meet the conditions mentioned in the following paragraph e) and has played in at least TWENTY (20) official matches during Seasons T-2, T-1 and T as a whole, and has also always played in at least Eight (8) official matches during Season T-1 or at least Four (4) during Season T, for a Club/SAD that competes in the highest sports categories of the professional leagues of Spain, England, Italy, German, France, The Netherlands, Turkey, Argentina or Brazil, or for a Club/SAD that does not belong to these leagues but has competed in European competitions in Season T-1, then the computable remunerations shall be at least FIFTY PERCENT (50%) of the remuneration earned by the Player during Seasons T-2 or T-1, whichever is higher, at the Club/SAD for which the Player provided their services during the Season in question.

This rule shall apply to all of the Seasons of the Player's contract duration

If these remunerations cannot be demonstrated, then the remuneration that counts towards the Squad Cost shall be four times the minimum wage established in the Collective Bargaining Agreement for Professional Football for the Sports Category.

- e) If during Season T-1 the Player has participated in at least TWENTY (20) official matches for a Club/SAD that competes in the highest sports categories of the professional leagues of Spain, England, Italy, German, France, The Netherlands, Turkey, Argentina or Brazil, or for a Club/SAD that does not belong to these leagues but has competed in European competitions in Season T-1, then the computable remunerations shall – during each of the Seasons for their contract's duration – be at least FIFTY PERCENT (50%) of the remuneration earned by the Player during Seasons T-2 or T-1, whichever is higher, at the Club/SAD for which the Player provided their services during the Season in question. If these remunerations cannot be demonstrated, then the remuneration that is counted shall be six times the minimum wage established in the Collective Bargaining Agreement for Professional Football for the Sports Category.
- f) In cases of the temporary transfer of the Rights of Federative Players who do not come under any of the cases considered in the preceding sections, the following rules for calculating their respective remunerations shall apply:

- (i) For the first player who is received as a transfer, the remuneration that has been agreed on by the parties, with the minimum agreed in the Collective Bargaining Agreement for Professional Football for the Sports Category.
- (ii) For the second player who is received as a transfer, the minimum agreed in the Collective Bargaining Agreement for the Sports Category, multiplied by the coefficient of 1.7
- (iii) For the third player who is received as a transfer, the minimum agreed in the Collective Bargaining Agreement for the Sports Category, multiplied by the coefficient of 2.0
- (iv) For the fourth Player or more who is received as a transfer, the minimum agreed in the Collective Bargaining Agreement for the Sports Category, multiplied by 3.0

The order of the Players for purposes of the provisions of this paragraph f) shall be established by the Transferring Club/SAD, not necessarily in time order, and this order may be modified according to the temporary transfers that may be determined by the Club/SAD.

- g) In any case, the cost of a Player transferred from a Club/SAD affiliated with the Spanish professional LaLiga, who competes in the First Division Professional Category during Season T, must be included in the valuation of the first team of the transferring Club/SAD, as long as the aforementioned player has played at least FOUR (4) official matches during season T-1 or T-2 in the highest sports categories of the professional leagues of Spain, England, Italy, Germany, France, The Netherlands, Turkey, Argentina or Brazil, or if the Club/SAD in question does not belong to these leagues but has participated in European competitions during Season T-1.
- h) For the purpose of calculating the Registrable Squad Cost, revenue from the Club/SAD that temporarily transfers the Federative Player Rights shall not be counted for the transferee Club/SAD, except for the revenue obtained as a consequence of the transfer of Federative Player Rights.

## **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>
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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: <ul style="list-style-type: none"> <li>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.</li> <li>b) the amount of acknowledged outstanding administration debt as of 31 December in T-1 does not exceed fifteen percent (15%) of the estimated net turnover for Season T and accepted by the Validation Body.</li> </ul>
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 (30th April T-1).
3. The provisions of Article 22.2 of these Standards shall apply for the purposes of considering a Club/SAD in Bankruptcy and for considering the concept and amount of the Bankruptcy Debt.

## ***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).

<b><i>Concept</i></b>	<b><i>Sign</i></b>
Season T-2 Positive or "0" Results, unless Positive Results are taken from season T-1. Notes (1) (2). According to Article 45 of these Standards.	Positive
Season T-1 Positive or "0" Results, unless Positive Results are taken from season T-2. Notes (1) (2) (3). According to Article 45 of these Standards.	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 30th 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

<b><i>Concept</i></b>	<b><i>Sign</i></b>
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
The Computable Contributions that had increased the Limit on the LaLiga 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 30th 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) References to the results of the Profit and Loss Account before tax that are made in the rules for calculating the Budgetary Break-Even Point will, in any case, be adjusted with the revenues and/or expenses that are directly allocated to Equity.
- (2) The figure stated in respect of income tax will be accompanied by the corresponding explanation by the Club/SAD for the calculations and adjustments made to obtain the same.
- (3) The provisions of Article 22.2 of these Standards shall apply for the purposes of considering a Club/SAD in Bankruptcy and for considering the concept and amount of the Bankruptcy Debt.

## **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. The profits generated through the transfer of Economic Rights derived from Federative Rights, namely, when the Federative Rights of the Player are not transferred and the Player remains registered on the squad of the transferring Club/SAD, each and every one of the following conditions, rules and criteria shall be considered for calculating the Squad Cost Limit (in addition to the general conditions, rules and criteria laid down in these Standards):
  - (i) A profit of the aforementioned nature may only be taken into account for calculating the Squad Cost Limit up to a maximum amount that does not exceed TEN PERCENT (10%) of the Net Turnover of the Club/SAD.
  - (ii) The transfer price the Economic Rights must be paid by the transferring Club/SAD, with the minimum amounts and maximum deadlines indicated below:
 

FIFTY PERCENT (50%) upon signing the corresponding Economic Rights transmission contract.

The accumulated SEVENTY FIVE PERCENT (75%) within 3 months of said signing, and

The accumulated ONE HUNDRED PERCENT (100%) within 6 months following the signing of the contract.



- (iii) The Economic Rights transfer contract may not in any way restrict or limit the working conditions of the affected Player. (Clubs where the Player must play, categories, remunerations, etc.) or place any restriction on the powers of the transferee Club/SAD for using the services of the Player.
- (iv) The party acquiring the Economic Rights must necessarily be another Club/SAD affiliated with LaLiga.
- (v) The transfer of Economic Rights may not be subject to any conditions precedent or subsequent, with the exception of any conditions that may be agreed upon due to a breach.
- (vi) If the Economic Rights transfer contract is left fully or partially void at any time before or after the next transfer of Federative Rights of the affected Player, neither the transferring nor acquiring Club/SAD may calculate profits derived from any other subsequent operation of the same nature towards calculating the Squad Cost Limit. The Squad Cost Limit shall be adjusted as soon as possible once the contract in question is left void, by the same amount that would have been taken into account for increasing the Squad Cost Limit of the transferring Club/SAD.
- (vii) A market valuation of the aforementioned Economic Rights must be submitted, performed by the LaLiga Valuation Committee made up of independent experts.

**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 TWO SPECIAL RULES FOR CLUBS/SADs THAT COMPETE IN THE SECOND DIVISION A SPORTS CATEGORY.**

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 Breakeven Point.

**ARTICLE 47. THREE. 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 Breakeven 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 reduced 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. FOUR. SPECIAL RULE FOR CALCULATING THE BREAK-EVEN POINT IN CLUBS/SADS INCLUDED IN GROUPS B AND C OF ARTICLE 43, WITH ADDITIONAL EXPENSES DERIVED FROM MINIMUM CONTINUITY CLAUSES IN THE FIRST DIVISION SPORTS CATEGORY.**

However, any Clubs/SADs that will compete in the First Division Sports Category during Season T and that, in order to determine their Budgetary Break-Even point, are included in Groups B or C referred to in Article 44 of these Standards may not calculate, for making the aforementioned determination, the expenses that increase their Squad Cost in Season T and that are incurred as a consequence of applying minimum continuity clauses in the aforementioned First Division Sports Category in Season T+1, and as long as the Resources to be Generated, which are required to obtain the Budgetary Break-Even Point, are higher in Season T+1 than in Season T, with a quantitative limit equivalent to TWENTY PERCENT (20%) of the difference in resources to be generated between the aforementioned Seasons T+1 and T.

***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. COMPETENCE.**

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.**

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.

#### **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 31st May 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 15th June Season T-1 in general cases, and before 5th July 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. These powers of the Validation Body may affect budget items (among others), and express mention is made, because of the importance, to 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, as referenced in Article 94 of these Standards.

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

The Validation Body may adjust the proportionality of the Registrable Squad Costs and the Non-registrable Squad Costs following criteria of reasonability, including assumptions made as regards the reserve team's promotion or relegation to or from the highest Sports Category.

**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.

**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 Minutes in which the acceptance of the LaLiga Budgets is recorded.
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 shall be adjusted according to the following circumstances, in addition to the applicable reduction, if any, mentioned in art. 47.4 of these Standards:
  - a) 15% reduction in the season immediately following the season in which any of the following situations have arisen in the Club/SAD:
    - (i) Altering, concealing, falsifying or including incorrect information in documents required by the Economic Control Committee or the Head of the Economic Control Department to demonstrate compliance with obligations on affiliate Clubs and SADs pursuant to articles 12 to 18, 20, and 22 to 24, inclusive, of Book X of the General Regulations, or documents or information required by the LALIGA Budget Validation Body, pursuant to the regulations for preparing the budgets of Clubs and SADs put in place by the Delegate Committee, amounting to 10% or more of the net turnover of the last audited financial year. .
    - (ii) Failure to make payment of the debts set out in articles 16 to 18, both inclusive, of Book X of the General Regulations, with an amount in excess of 500,000 euros.
    - (iii) Failure to comply with the Break-even point, pursuant to article 20 and Appendix I of Book X of the General Regulations, by an amount of 5% or more of turnover from the last audited financial year.
  - b) 5% reduction in the Season immediately following the season in which any of the following situations have arisen in the Club/SAD:
    - (i) Failure to comply with the Break-even point, pursuant to article 20 and Appendix I of Book X of the General Regulations, by a percentage of between 1% and 5% of turnover from the last audited financial year.
    - (ii) The inadequate execution of verification and review processes by the accounts auditor of the Club/SAD and/or a failure to apply the quality standards required in accounting and audit standards, involving an alteration or error of 10% or more of the net turnover from the last audited financial year, which puts the Club/SAD over the Squad Cost Limit, without the corresponding authorisation from the LaLiga Validation Body, in the area of economic control and/or in the area of drawing up budgets.

- c) Reduction by the exceeded amount in the season immediately following the season in which any of the following situations have arisen in the Club/SAD:
  - (i) A quantitative difference between the information filed through Appendix VI of the Regulations for the preparation of the budgets of Clubs and SADs established by the Delegate Committee and/or through the Certificates of the Secretaries of the Boards of Directors or Management Boards of the Clubs and SADs, referred to in the aforementioned Book, implying higher expenses, costs or losses, or lower revenue or profits, and which becomes apparent when the information submitted by the Club/SAD is compared to the information verified by the LaLiga Budget Validation Body, or through the procedures laid down in the Standards for drawing up budgets for Clubs and SAD, approved by the Delegate Committee.
  - (ii) Exceeding the squad cost limit accepted by the LALIGA Budget Validation Body.
- d) A reduction by between 10% and 30% of the exceeded amount, with a maximum limit of 15% of the Total Squad Cost Limit, in the season immediately after the season during which the Club/SAD exceeded the amount submitted in the investment budget, according to the LALIGA Standards for drawing up budgets, by a percentage of 15% or higher of the amount authorised by the Standard in question.
- e) A reduction by between 3% and 10% of the exceeded amount, with a maximum limit of 5% of the Total Squad Cost Limit, in the season immediately after the season during which the Club/SAD exceeded the amount submitted in the investment budget, according to the LALIGA Standards for drawing up budgets, by a percentage of between 5% or more and less than 15% of the amount authorised by the Standard in question.
- f) A reduction of between 1% and 4% during the season immediately after the season during which the Club/SAD broke the Break-even point, according to that established in article 20 and Annex I of Box X of the General Regulations, by a percentage of 1% or less of the turnover of the last audited financial year.

### **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 Breakeven 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 authorized 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) percent of the Squad Cost Limit accepted by the Validation Body.
  6. The Validation Body may also exceptionally authorize an increase in the Squad Cost Limit if a registered Player has been penalized 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 mutandi* for cases of long-term injury of a Player.
  - b) The increase authorized, 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 authorize 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 profesional football, risks of any kind and jurisprudential guidance in doping in sport in order to adopt the corresponding decision.
7. During the two immediately subsequent player sign-up periods, increases to the Total Squad Cost Limit mentioned in this Title III may not be authorised by the Validation Body if, during 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 has engaged in any of the following conducts more than once:
    - a) Breach of agreements adopted by the Economic Control Committee or by the LALIGA Budget Validation Body, on economic control or on drafting budgets.
    - b) Impeding or obstructing supervision of annual or partial audits ordered by the LALIGA Economic Control Committee, the Head of the Economic Control Department or the Budget Validation Body.
    - c) Breaching economic control or budget drafting recommendations and instructions of the Head of the LaLiga Economic Control Department, the Economic Control Committee or the Budget Validation Body.
    - d) Not submitting within the established period, in the required format and in full, any documents required by the Economic Control Committee, or the Head of the Economic Control Department, for the purpose of verifying that the obligations of the Clubs/SAD established in articles 12 to 18, 20, and 22 to 24, inclusive, of Book X of the General Regulations, have been met, or the economic



control documents or information required by the LALIGA Budget Validation Body, or the budget drafting documents or information required by the LALIGA Budget Validation Body.

## 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, 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 applied:

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 Limit on the Registrable Squad Cost.

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

## **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. 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:  
$$rx = \text{Positive accounting results.}$$

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.**

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.**

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.**

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 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 30th June 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 (4) PERCENT 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 31st 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 PERCENT, 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.

**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 to replace a player on their Registrable Squad:
  - 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) PERCENT of the Cost of the injured Player, excluding the amortisation of their Federative Rights and taking 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.
  - b) If the Club/SAD plays in First Division, the limit of the Cost increase shall in any case be the lesser of
    - (i) EIGHTY (80) percent of the cost of the Injured Player
    - (ii) TWO (2) PERCENT of the Inscriptible 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 time proportion resulting from the moment in the Season when the new Player is hired 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 sportsman 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 during Season T.
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 constitute 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.**

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 the balances of collection rights in favour of the Contributors that are included or that should be included on the Assets side of the Club/SAD's Balance Sheet,
- b) The amount of all expenses and taxes payable by the Club/SAD accruing from the legal transaction or operation corresponding to the Contribution.

### ***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 the following Groups. The amount of the Increase to the Limit on Squad Costs applicable as a result of the Contribution is given for each group.

## **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) Equity exceeding FIFTY PERCENT (50%) of Outstanding Liabilities,
  - 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. In order 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 Second Division B 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 ONE HUNDRED (100) PERCENT of the difference (provided it is positive) between:
  - (i) the eligible amount of the Contributions, as the minuend
  - (ii) the amount of the estimated losses on its Profit and Loss Account and/or estimated Treasury deficits, calculated prior to the posting of Contributions and the increase to the Limit on the Squad Cost, and referring to the Season for which the increase is requested, as the subtrahend.
2. 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.
3. It will in any case be necessary for the Validation Body to expressly authorise, from the Season in which the Contribution is posted and in each of the THREE (3) 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. Any Clubs/SADs included in this Group whose first teams compete in the Second Division A Sports Category upon receiving the Contribution may increase the aforementioned Squad Cost Limit in equal parts, distributed over TWO (2) consecutive Seasons, provided that they prove to the Validation Body that the average duration of contracts signed with their Players and Coaching Staff does not exceed 2.5 Seasons.

In this case, if the Club/SAD is promoted to the First Division Sports Category and the balance of the Squad Cost Limit Increase is reduced as a consequence of the Contribution that is received and pending

application, then the amount of this balance shall increase the aforementioned Squad Cost Limit distributed over four (4) consecutive seasons, counting the Season in which an Increase in the Squad Cost Limit would already have been applied.

As from the moment when the Contribution is registered and in the following Seasons, the Validation Body must expressly authorise, if applicable, the total amount that may be counted by the Club/SAD for increasing its Squad Cost Limit, and in accordance with the provisions of section 3 above.

## **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 points a, b) or c) of the Criteria for Inclusion in Group A.

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

1. Clubs/SADs included in **GROUP B** may increase their Squad Cost Limit, with the time distribution stated in paragraph 2 below, by an amount equal to SIXTY FIVE (65) PERCENT of the difference (provided it is positive) between:

- (i) the eligible amount of the Contributions, and
- (ii) The aforementioned resulting amount shall increase the Squad Cost Limit of the Club/SAD that has received the corresponding Contribution in the following seasons and in proportion by percentage points:

Season T in which the Contribution is registered	20
T+1	15
T+2	15
T+3	15

2. It will in any case be necessary for the Validation Body to expressly authorise, from the Season in which the Contribution is posted and in each of the THREE (3) 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.
3. Any Clubs/SADs included in this Group whose first teams compete in the Second Division A Sports Category upon receiving the Contribution may increase the aforementioned Squad Cost Limit in equal parts, distributed over TWO (2) consecutive Seasons, provided that they prove to the Validation Body that the average duration of contracts signed with their Players and Coaching Staff does not exceed 2.5 Seasons.

If the Club/SAD is promoted to the First Division Sports Category and any non-applied balance of the Increase is taken away from it, it shall permanently lose the possibility to apply that balance.

As from the moment when the Contribution is registered and in the following Seasons, the Validation Body must expressly authorise, if applicable, the total amount that may be counted by the Club/SAD for increasing its Squad Cost Limit, and in accordance with the provisions of section 3 above

## **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 the result of applying the following coefficients to the Net Turnover:
  - (i) For Contributions in Season 2016/2017, ONE POINT NINE (1.9)
  - (ii) For Contributions in Season 2017/2018: ONE POINT SEVEN (1.7).
  - (iii) For Contributions in the 2018/2019 Season and the following: ONE POINT FIVE (1.5).

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) PERCENT 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) PERCENT 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. The provisions of Article 22.2 of these Standards shall apply for the purposes of considering a Club/SAD in Bankruptcy and for considering the concept and amount of the Bankruptcy Debt.

#### 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) percent 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 the penalties which, in accordance with these Standards, are applicable in the Limit on the Squad Cost arising from "Resource Deficits" as defined in the Definitions Annex of these Standards.
    - (ii) the amount of eligible Contributions that are already included on and provided for under the aforementioned Viability Plan, and
    - (iii) 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.
- 2.- The aforementioned resulting amount shall increase the Squad Cost Limit of the Club/SAD in the following seasons and in proportion by percentage points
 

Season T in which the Contribution is registered	12.50
T+1	12.50
T+2	12.50
T+3	12.50
2. It will in any case be necessary for the Validation Body to expressly authorise, from the Season in which the Contribution is received and during each of the 3 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.

3. It will in any case be necessary for the Validation Body to expressly authorise, as from the Season in which the Contribution is received and during each of the 3 following seasons, the total amount that may be calculated for increasing the Squad Cost Limit, 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. Any Clubs/SADs included in this Group whose first teams compete in the Second Division A Sports Category upon receiving the Contribution may increase the aforementioned Squad Cost Limit in equal parts, distributed over TWO (2) consecutive Seasons, provided that they prove to the Validation Body that the average duration of contracts signed with their Players and Coaching Staff does not exceed 2.5 Seasons.

If the Club/SAD is promoted to the First Division Sports Category and any non-applied balance of the Increase is taken away from it, it shall permanently lose the possibility to apply that balance.

As from the moment when the Contribution is registered and in the following Seasons, the Validation Body must expressly authorise, if applicable, the total amount that may be counted by the Club/SAD for increasing its Squad Cost Limit, and in accordance with the provisions of section 3 above.

## **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 figure for Equity 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).

## **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 15th 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.2**

### **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 91.2 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 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 91.3 SPECIAL CASES OF INCREASES FOR CLUBS/SADs IN SECOND DIVISION A WHICH MEET CERTAIN CONDITIONS OF NET PROFITS OR REVENUE GENERATED**

1. Any Clubs/SADs that compete in the Second Division A Sports Category during Season T-1 and that continue to participate in this Category may increase their respective Squad Costs Limit for Season T, provided that they meet the following conditions, and with the limitations established 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 PERCENT (35%) of the Net Turnover estimated by the Validation Body for Season T-1.
  - b) If, in accordance with these regulations, the Budgetary Breakeven 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 PERCENT (35%) greater than the minimum required for Season T-1 under these Regulations.
  - c) If, in accordance with these Regulations, the Budgetary Breakeven 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 PERCENT (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 Breakeven 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 Breakeven 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.

2. This exceptional authorisation for increasing the Limit on Squad Costs in advance may be requested by Clubs/SADs meeting the requirements laid down 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 intended to be calculated in advance, even without the contractual agreement on the transaction that would provide said increased revenues or profits 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 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 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, of compliance with the increase in revenues or profits or the reality and execution of the Contributions, as appropriate, with the scope, extent and duration required by the Validation Body, in accordance with the following conditions:
  - 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) These guarantees will be provided 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, to the complete satisfaction of the Validation Body

The guarantees to be provided may take any of the forms permitted by law, both personal and collateral security, including cash deposits, but property rights – mortgages, pledges, etc.– over fixed or moveable assets of any nature are excluded, with the exception of securities representing the capital of companies listed on the stock exchanges.

LaLiga may, through the Validation Body, create a record for the voluntary registration of partners or shareholders of Clubs/SADs or third parties who intend to provide the guarantees referenced in this section 5, which shall contain data and information accrediting the identification, legal personality, representation and economic solvency of the registered individuals or legal entities.

  - c) 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.
  - d) All costs (expenses, fees, tax etc.) concerning the creation, modification, replacement, execution or cancellation of the guarantees provided will be borne by the Contributor.
  - e) 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. **QUANTATIVE LIMITS ON THE INCREASE IN SQUAD COSTS AUTHORIZED IN ADVANCE**
  - a) If the Increase in the Squad Cost Limit is a result of increased Revenue or Profits regulated under the First Chapter of this Section III, the limits shall be as follows:

- (i) For Clubs/SADs playing in First Division, FIVE PERCENT (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 PERCENT (1.5%) of said Net Turnover.
- 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.

In this case, the Increase limits shall not apply in any of the following circumstances

- (i) If the Contribution has to come from a Capital Increase of the SAD, the corresponding corporate agreement should be duly adopted by the competent corporate body or the call for the corresponding meeting should have been issued.
  - (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 established in paragraph 7 a) above, a First Division Club/SAD may only avail itself of the possibility offered by this article for a maximum calculation – which shall be accumulated over four Seasons – equivalent to TEN PERCENT (10%) of the last Net Turnover taken into account by the Validation Body to determine its Squad Cost Limit.

The percentage established in the preceding paragraph shall be THREE PERCENT (3%) for Clubs/SADs whose first teams compete in the Second Division A Sports Category.

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

**TITLE IV**  
**BUDGETARY CONTROL ON THE REGISTRATION OF PLAYERS AND COACHING STAFF**

***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
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 Cost at the same time.
4. The provisions of Article 39.12 of these Standards shall apply in all cases.

***Section Two***  
***Initial Squad Cost***

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

1. Any Clubs/SADs that are going to compete in the Second Division A in Season T and that have been in the Second Division B Category in Season T-1 shall be bound to notify, during the first 10 days of the month of July, all contracts in force with Players and Coaching Staff (Licences E1, E2 and PF) that the Club/SAD has signed for the Season in which it is going to compete in Second Division A.
2. Any Clubs/SADs that are going to compete in the Second Division A in Season T and that have been in the Second Division B Category in Season T-1 shall be bound to notify, during the first 10 days of the month of July, all contracts in force with Players and Coaching Staff (Licences E1, E2 and PF) that the Club/SAD has signed for the Season in which it is going to compete in Second Division A.

LaLiga Economic Control shall not proceed to validate any procedure at the behest of the interested Club/SAD until such a notification has been made and the contracts in question have been included on Standard Reporting Form MN 23 of the Club/SAD. Therefore, the aforementioned Clubs/SADs must submit a certificate to LaLiga, issued by the Royal Spanish Football Federation ('*Real Federación Española de Fútbol*' in Spanish), that includes a list of the names of Players with contracts in force on 30 June of Season T-1 or on 1 July of the Season.

3. All Clubs/SADs will, during the first 10 days of the month of July, be bound to regularise the situations of players with whom contracts are in force at the start of the Season, T, and whose Federative Rights were temporarily transferred during the previous Season and who must rejoin the Club/SAD. LaLiga Economic Control shall not proceed to validate any new procedure at the behest of the affected Club/SAD until these procedures have been updated and included on Standard Reporting Form MN23 of the Club/SAD.
4. Said Standard Reporting Form MN 23 shall be signed by the Authorized 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 Trainer 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, Trainers) 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 30th June 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 30th June 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. ALTERNATIVE PROCEDURE FOR COMPLYING WITH THE REPORTING OBLIGATION UNDER ARTICLE 94 THROUGH A PERSONAL APPEARANCE BEFORE THE VALIDATION BODY.**

1. Clubs/SADs may choose to comply with the reporting obligation required under Article 94 above by following an alternative procedure, applying the rules listed below:
- a) The Club/SAD intending to follow this procedure will communicate this with sufficient notice to the Validation Body.
  - b) They will prepare the Summary Table according to the aforementioned Standard Reporting Form MN 23 as stated in Article 94 and submit the same by personal appearance before the Validation Body between 1st and 10th July Season T, and on the date and time previously set by said Body.
  - c) The Validation Body will endorse Standard Reporting Form MN 23 for the sole purpose of recording its submission at said appearance and it may, during such appearance and in the presence of the Club/SAD's representatives, verify all or part of the information provided in the same.
  - d) Once the Standard Reporting Form has been endorsed and, where relevant, the verifications carried out that are deemed appropriate by the Validation Body, the submitted Standard Reporting Form will be returned to the Club/SAD.
  - e) The Club/SAD that has chosen this procedure will in any case draw up and submit to the Validation Body a signed statement providing the total amounts of each and every one of the concepts making up the Squad Cost that is given without individualised information, in accordance with Standard Reporting Form MN 24,
2. The Club/SAD that has chosen this alternative procedure should, however, submit the aforementioned Standard Reporting Form MN 23 and deliver it in full:

- a) in order to register or deregister any Player,
- b) and within five working days from when required to do so by the Validation Body at any time during the Season.

#### **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 COACHING STAFF.**

1. Clubs/SADs should accompany and submit, within 10 days of the conclusion of the summer Player registration period (by 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 Trainers, whose Cost forms a part of the Registrable Squad Cost, have received, are receiving or will receive any compensation that is paid by or is committed to by third parties, natural and/or legal persons, and that could be considered as current expenses 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 Trainers 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 Trainers 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 Trainers.
  - c) The variations in the Initial Registrable Squad Cost arising from contractual changes agreed with Players and/or Trainers, as well as costs resulting from the termination, for any reason, of employment contracts with Players and Trainers, 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 Trainers 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 Trainer.
  - c) In the event that the contractual termination of a Player and/or Trainer places an attributable loss on the Profit and Loss Account as a result of the reduction of the asset in the Net Book Value of the Federative Rights thereof, the said amount will also reduce the Limit on the Registrable Squad Cost provided this loss was not covered on the Club/SAD's LaLiga Revenues and Expenditure Budget.
4. For the above purposes, in order to derecognise the Cost of a registered Player or Trainer, 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 Trainers in LaLiga.
2. It will be necessary for Clubs/SADs to comply with the following requirements to register new Players or communicate contractual modifications for those already registered:
  - a) That the Club/SAD's LaLiga Budgets for Season T have been accepted and validated by the Validation Body
  - b) That all the information referred to in Articles 94 to 98 has been provided.
  - c) That 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 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.
3. The same shall apply to situations involving the contracting or contractual termination or renewal of the Coach, Assistant Coach and/or Fitness Trainer.
4. In addition, the assignor and assignee Clubs/SADs must provide the breakdown of the revenue and expenditure, respectively, generated by the Temporary Cessions 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. Clubs/SADs that, after having been allocated the Limit on the Registrable Squad Cost and that as of 1st July Season T - in accordance with the provisions of these Standards - could not register more Players because of exceeding said limit with the squad whose contracts are in force on said date, may however register new Players as long as the sum of their respective individual Costs does not exceed TWENTY-FIVE (25) PERCENT of the difference in the initial Registrable Squad Cost for Season T and the limit of the Registrable Squad Cost assigned by the Validation Body for Season T.
2. If, in accordance with what is set forth in Title III, the Squad Cost Limit is increased, the result of applying the corresponding percentages on the difference between the initial Registrable Squad Cost and the new limit of the Registrable Squad Cost shall be recalculated.
3. The resulting excess amount of the Club/SAD by virtue of applying this clause shall be subtracted from the limit of the Registrable Squad Cost obtained in the Budget Breakeven for the following Season (T+1).

***Example: Application of article 100.1:***

*(A) Initial Registrable Squad Cost (01.07.xx): 100 MM €*

*(B) Limit of Registrable Squad Cost granted (Validation Body): 80 MM €*

*Difference (A)-(B): 20 MM €*

*Excess (maximum) permitted by applying this rule:  $20 \text{ MM €} * 25\% = 5 \text{ MM €}$*

*Resulting Limit of Registrable Squad Cost:  $80 \text{ MM €} + 5 \text{ MM €} = 85 \text{ MM €}$*

***Example of the Application of article 100.2 (Case I):***

*If after the approval of the Registrable Squad Cost Limit the Club/SAD presents the necessary documentation to justify an increase in the Squad Cost Limit, the Validation Body shall recalculate the application of this article as follows:*

*(A) Initial Registrable Squad Cost (01.07.xx): 100 MM €*

*(B) Limit of Registrable Squad Cost granted (Validation Body): 80 MM €*

*(C) Increase approved for Squad Cost Limit: 10 MM €*

*Difference (A) - (B + C): 10 MM €*

*Excess (maximum) permitted by applying this rule:  $10 \text{ MM €} * 25\% = 2.5 \text{ MM €}$ .*

*Resulting Limit of Registrable Squad Cost:  $90 \text{ MM €} + 2.5 \text{ MM €} = 92.5 \text{ MM €}$ .*

***Example of the Application of article 100.2 (Case II):***

*(A) Initial Registrable Squad Cost (01.07.xx): 100 MM €*

*(B) Limit of Registrable Squad Cost granted (Validation Body): 80 MM €*

*(C) Increase approved for Squad Cost Limit: 30 MM €.*

*Difference (A) - (B + C): -10 MM €*

*Excess (maximum) permitted by applying this rule: Not applicable, as the Club/SAD is not included in the case contemplated in section 1 of this article.*

**ARTICLE 101. SPECIAL RULE FOR THE RENEWAL OF PLAYERS AFTER THE CLOSE OF THE SUMMER PLAYER REGISTRATION PERIOD.**

1. In cases where the contractual renewal of a Player occurs after the end of the Winter Registration Period and before 30th June T-1, the registration of such Player by the contracting Club/SAD will only be accepted once the Limit on the Registrable Squad Cost for Season T has been allocated by the Validation Body.
2. 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.

**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 as of 30th June T-2, or as of 30th June T-1 (provided that the Financial Statements for Season T-1 have been audited) by an amount less than TWENTY-FIVE (25) PERCENT 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:
  - Liabilities for deferred tax
  - 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

For the Seasons shown below the following percentages shall be provisionally applied instead of the 25% defined in this section

Season	Percentage
2018/2019	30
2019/2020	35
2020/2021	40

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 Seasons T-1 and/or 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.

**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 may be individual or collegiate.
2. If the Validation Body adopts a collegiate structure, it is made up of a minimum of three members and a maximum of five.
3. Full and alternate members may be appointed.
4. Responsibility of the President of LaLiga.
  - a) To agree on the individual or collegiate structure of the Validation Body and, in the latter case, establish the number of members thereof.
  - b) To appoint and remove the members of the Validation Body.
5. To be appointed a member of the Validation Body, at least ten years of professional experience in management roles related to football Club/SAD finance, including roles connected to the design and preparation of budgets, must be accredited.
6. Those working in a managerial position or who are part of an employment relationship or service leasing with any Club/SAD affiliated to LaLiga cannot be members of the Validation Body.
7. The position of member of the Validation Body can be paid.

**ARTICLE 105. ROLES AND COMPETENCE.**

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 Standards.
  - c) To check and verify the information provided by the Clubs/SADs for any purpose covered under these Standards.
  - 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 Standards, 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 Standards.
  - 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 Standards.
  - 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 Standards 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 Standards.
  - m) To establish its own internal system for its operation and the adoption of resolutions.
  - n) To establish its internal administrative procedures.
  - o) To submit to the competent bodies of LaLiga the appropriate conclusions for the purposes covered under the Standards and Article 78 bis of the Articles of Association (breaches).
  - p) Interpretation of the accounting and financial-economic regulations contained in these Standards,
  - q) To interpret these Standards, agreeing on clarifications and comments on any questions and answering queries raised by the Clubs/SADs
  - r) Create and establish the guarantor records regulation referred to in article 92.5 b) of these Standards.
  - s) To propose amendments to these Standards 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.
  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.

## **CHAPTER TWO**

### **THE 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 PERCENT (2.5%) for those participating in the First Division or FIVE PERCENT (5%) for those participating in Second Division A, with such percentages being calculated on the Club/SAD's Limit on the Squad Cost.
2. The appeal will be brought before the Economic Control Committee within two days.
3. The appeal in question will be resolved within five days by the Economic Control Committee.

4. The resolution of the Economic Control Committee that resolves the appeal will exhaust the associative course.

#### **ARTICLE 110. APPEALS.**

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

#### **FINAL PROVISIONS**

##### **FIRST. PENALTY SYSTEM**

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

##### **SECOND. 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 must submit in accordance with current regulations, these Standards establish the provisions concerning setting the Limit on the Squad Cost and the requirements of the modification thereto and, therefore, are not restrictive on the aforementioned current regulations.

##### **ENTRY INTO FORCE**

These Amended Standards will enter into force and apply to the preparation, submission and validation of the LaLiga Budgets for the 2018/2019 Season.

##### **FIRST PROVISIONAL RULING. SPECIAL RULES FOR EXPENSES RELATED TO WOMEN'S FOOTBALL WHEN DETERMINING THE BUDGET BREAK-EVEN POINT**

1. The amount of the increased expense related to Women's Football included in the LaLiga Income and Expense Budget for Season T in regard to the real expense incurred for the same concept in the Season 2015/2016 – with a maximum limit of two percent (2%) of the Net Turnover of the Club/SAD as of the close of said Season 2015/2016, or one million Euros (1,000,000 €), whichever is the lesser of the two, shall not be taken into account for the purpose of calculating the Budget Break-even point in Season T and consequently for obtaining the Squad Cost Limit, defined in this rule.
2. An expense related to Women's Football, as it is similar to expenses for developing young players, as set forth in Annex I of Book X of the Regulations for Financial Control, in the General Regulations of the National League of Professional Football, shall be understood as expenses by a Club/SAD directly attributable to activities and actions to train, educate and form Women Players as part of the Women's Football development programme (i.e. they would not have taken place if the Club/SAD did not have Women's Football), deducting any income received by the Club/SAD that is directly attributable to the Women's Football development programme.
3. The following activities are to be included among Women's Football activities, although the list is not meant to be exhaustive:
  - a) The organization of a specific discipline of Women's Football.

- b) The participation of women's teams in official national, regional or local competitions or programmes acknowledged by the corresponding Federation.
- 4. Expenses directly attributable (and which therefore will not be taken into account when calculating Relevant Expenses in accordance with the definition of Book X of the General LaLiga Regulations), include but are not limited to:
  - a) The costs of materials and services used to carry out activities in women's football, including accommodation, medical fees, registration fees, travel and food allowances, playing kits and the rental of facilities.
  - b) The costs of benefits and services for employees who are totally involved in women's football, such as players and trainers, provided that their work for the Club/SAD is totally dedicated to women's football.
- 5. If a Club/SAD is not capable of identifying expenses for women's football separately from other expenses, said expenses cannot be treated as women's football expenses, and shall therefore be treated as relevant expenses.
- 6. By way of example, the following expenses shall not be considered as directly attributable to women's football:
  - a) Scouting costs for women players.
  - b) Commissions for obtaining the federative card of a player, such as any commission paid to an agent or another Club/SAD.
  - c) Sales, administrative and other fixed and general costs, unless said expenses can be directly attributed to women's football.
  - d) The costs of benefits and services for employees who are only partially involved in women's football (for example, a trainer who only works part-time in women's football).
- 7. Without prejudice to what is set forth in section 1 of this article, as of November 2017 – and in subsequent Seasons on the same date – together with the Annual Accounts, Clubs/SADs will be asked to provide the corresponding certificate of agreed procedures issued by the auditor, as established for this kind of documentation in these Regulations, which shall include the validation of the concepts and the verification of the arithmetical accuracy of the figures provided as expenses related to Women's Football.
- 8. What is set forth in this Provisional Ruling shall come into force exclusively to determine the Budget Breakeven point and therefore the Squad Cost Limit for Seasons 2017-2018 and 2018-2019.

## **SECOND PROVISIONAL RULING - SPECIAL RULES FOR EXPENSES RELATED TO THE DIGITAL DEVELOPMENT OF THE BUDGETARY BREAKEVEN POINT**

- 1. The amount of the increase in Expenses Related to Digital Development effectively incurred by the Club/SAD in Season T-1 in regards to the expense incurred the previous Season shall not be taken into account for the calculation of the Budgetary Breakeven Point in Season T, and consequently for the obtention of the Squad Cost Limit defined in these Regulations, with a limit equal to the lower of the following two amounts:
  - a) Two percent (2%) of the estimated Net Turnover of the Club/SAD for Season T, or
  - b) One million Euros (€ 1,000,000)
- 2. Expenses related to Digital Development are understood to be those determined by La Liga Digital Strategy Management in the corresponding report.
- 3. Without prejudice to what is set forth in section 1 of this Second Provisional Ruling, in November 2017 – and in successive Seasons in which this Provisional Ruling is in force on the same date – when the Clubs/SADs present their Annual Accounts, they shall also present an Agreed Procedure Report drawn up by the Accounts Auditor of the Club/SAD, which shall include the validation of the concepts and the verification of the arithmetical accuracy of the figures prepared by the Club/SAD as Digital

Development Expense. Said report shall not be required from Clubs/SADs which present Acceptable Financial and Economic Ratios.

4. What is set forth in this Provisional Ruling shall be in force exclusively to determine the Budgetary Breakeven Point and therefore the corresponding Squad Cost Limit in Seasons 2018-2019 and 2019-2020.

## **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 as of 30th June T-1 and comparative figures for Seasons T-2 and T-3

ANNEX I.3. LaLiga Abridged Revenues and Expenditure Budget

#### **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**





**ANNEX**  
**ON DEFINITIONS OF TERMS AND EXPRESSIONS.**



LALIGA

## 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 the Net Turner entry below.
<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><i>Term/Expression</i></b>	<b><i>Definition</i></b>
<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 made up of the different Trainers, according to the definition given in this Annex,
<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 preferential debts</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>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.
<b>Group of Companies</b>	See the Group of Companies entry below.

<b>Term/Expression</b>	<b>Definition</b>
<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>Report on agreed procedures</b>	Report issued by the auditor as a result of a review of the agreed procedures carried out under regulation ISRE 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 15th 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>LaLiga</b>	The Spanish National Professional Football League.
<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>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 I. Section 10.

<b><i>Term/Expression</i></b>	<b><i>Definition</i></b>
<b>Related Parties</b>	See the General Regulations of LaLiga, Book X.- Economic Control Regulations - ANNEX I. Section 10
<b>Budget Item(s)</b>	Any item that has to be included on the LaLiga Budgets.
<b>Adjusted Liabilities</b>	Outstanding liabilities with maturities equal to or less than two years from the date of year end, or from the closing date of the Interim Financial Statements where appropriate, reduced by the amount of provisions for contingencies for credit against Clubs and SADs from Transfer Operations of Federative Rights and the amount of cash or cash equivalents.
<b>Outstanding Liabilities</b>	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 appearing in the items of non-current and current liabilities on the balance sheet will have to be added.
<b>Equity</b>	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.
<b>Adjusted Equity</b>	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.
<b>Non-coaching non-sports staff</b>	The other staff linked to the Club/SAD through employment contracts, including management, administration, shop, security and access, marketing, communication, maintenance and cleaning staff.
<b>Non-sports coaching staff</b>	The sports director, training secretary, doctor, delegate, physiotherapists, kit men.
<b>Payment Plan:</b>	See Viability Plan.
<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>Term/Expression</b>	<b>Definition</b>
<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. (Art. 38).</p> <p>Example:  <i>For a player who terminates their employment contract with the Club/SAD on 7th July 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>	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).
<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 yearend, 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 and following.

<b>Term/Expression</b>	<b>Definition</b>
<b>Resources Generated</b>	Calculated as follows: Pre-tax profit or loss for the financial year accepted by the Validation Body - Corporation tax (only negative) + Amortization of fixed assets +/- Impairment losses +/- Variations in provisions - Allocation of grants +/- Proceeds from disposals of fixed assets - Investments + Divestments
<b>General Regulations</b>	General Regulations of LaLiga.
<b>RFEF</b>	Royal Spanish Football Federation ('Real Federación Española de Fútbol' in Spanish).
<b>SAD(s)</b>	Public Limited Sports Company(s) (Sociedad Anónima Deportiva in Spanish) member(s) of LaLiga.
<b>Minimum Wage</b>	Minimum guaranteed remuneration, as established by the current Collective Bargaining Agreement for 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 31st January 2013: - Modified opinion: o Opinion with exceptions, quantified or unquantified o Unfavourable opinion o Denial of opinion - Limitations on the scope
<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>Second Division B</b>	Non-professional competition organised by the Royal Spanish Football Federation.
<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.
<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>Trainer</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><i>Term/Expression</i></b>	<b><i>Definition</i></b>
<b>Season</b>	Twelve-month period from 1st July each year to 30th 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.





## **ANNEXES**

**ANNEX I: THE LALIGA REVENUES AND EXPENDITURE BUDGET.**

**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 as of 30th June T-1 and comparative figures for Seasons T-2 and T-3**

**ANNEX I.3. LaLiga Abridged Revenues and Expenditure Budget**

**ANNEX II: THE LALIGA INVESTMENTS AND DIVESTMENTS BUDGET.**

**ANNEX III: THE LALIGA FINANCING BUDGET. ANNEX IV: THE LALIGA TREASURY BUDGET.**






**LALIGA**  
**STANDARDS FOR THE PREPARATION OF THE BUDGETS OF CLUBS AND SADs**  
**ANNEX I**  
**LALIGA REVENUES AND EXPENDITURE BUDGET (ARTICLE 14)**  
**STRUCTURE AND CONTENT**

	CLUB/ SAD					Thousands of Euros
	Season					
Item Number	Items/Sub-Items		Actual Season T 3	Actual Season T 2	Estimated Season T-1	LaLiga Budget Season T
1.	<b>Net Turnover</b>		-	-	-	-
1.1.	<b>Revenue from competitions (+)</b>		-	-	-	-
1.1.1.	LaLiga		-	-	-	-
1.1.2.	Copa de SM el Rey		-	-	-	-
1.1.3.	Supercopa de España		-	-	-	-
1.1.4.1.	UEFA		-	-	-	-
1.1.4.2.	Champions League		-	-	-	-
1.1.4.3.	UEFA Super Cup		-	-	-	-
1.1.5.	Other competitions and friendly matches		-	-	-	-
1.1.6.	Other		-	-	-	-
1.2.	<b>Revenue from subscribers and members (+)</b>		-	-	-	-
1.3.	<b>Revenue from the use of facilities (+)</b>		-	-	-	-
1.4.	<b>Revenue from broadcasting (+)</b>		-	-	-	-
1.5.	<b>Revenue from marketing (+)</b>		-	-	-	-
1.5.1.	Shop sales		-	-	-	-
1.5.2.	Sponsorships		-	-	-	-
1.5.3.	Other		-	-	-	-
1.6.	<b>Revenue from advertising (+)</b>		-	-	-	-
1.6.1.	Static advertising		-	-	-	-
1.6.2.	Dynamic advertising		-	-	-	-
1.6.3.	Other		-	-	-	-
5.	<b>Procurements and variations in stock (+)/(-)</b>		-	-	-	-
5.1.	Consumption of sports equipment		-	-	-	-
5.2.	Other consumption		-	-	-	-
5.4.	Variations in stock		-	-	-	-
5.3.	Other		-	-	-	-
1.7.	<b>Other revenue (+)</b>		-	-	-	-
1.7.1.	LaLiga revenue		-	-	-	-
1.7.2.	Operating subsidies and other		-	-	-	-
1.7.3.	Work performed for the entity and other		-	-	-	-
1.7.4.	Cessions		-	-	-	-
1.7.5.	Other		-	-	-	-

2.	<b>Non-sports staff costs (-)</b>		-	-	-		-
2.1.		Wages and salaries of non-sports staff	-	-	-		-
2.2.		Compensation to non-sports staff	-	-	-		-
2.3.		Social security of non-sports staff	-	-	-		-
2.4.		Contributions to supplementary pension systems and other obligations to staff	-	-	-		-
2.5.		Staff welfare costs	-	-	-		-
2.6.		Other	-	-	-		-
3.	<b>Sports staff costs (-)</b>		-	-	-		-
3.1.	<b>LaLiga registrable sports staff costs</b>		-	-	-		-
3.1.1.		Wages and salaries, LaLiga registrable squad	-	-	-		-
3.1.2.		Compensation, LaLiga registrable squad	-	-	-		-
3.1.3.		Social security, LaLiga registrable squad	-	-	-		-
3.1.4.		Expenses for image rights to companies holding the same	-	-	-		-
3.1.5.		Collective bonuses, LaLiga registrable squad	-	-	-		-
3.1.6.		Other	-	-	-		-
3.2.	<b>LaLiga non-registrable squad costs</b>		-	-	-		-
3.2.1.		Wages and salaries, LaLiga non-registrable squad	-	-	-		-
3.2.2.		Compensation, LaLiga non-registrable squad	-	-	-		-
3.2.3.		Social security, LaLiga non-registrable squad	-	-	-		-
3.2.4.		Expenses for image rights to companies holding the same	-	-	-		-
3.2.5.		Collective bonuses, LaLiga non-registrable squad	-	-	-		-
3.2.6.		Other	-	-	-		-
4.	<b>Other operating expenses (-)</b>		-	-	-		-
4.1.		External services	-	-	-		-
4.2.		Taxes	-	-	-		-
4.3.		Losses, impairment and variations in provisions due to commercial transactions	-	-	-		-
4.4.		Displacements	-	-	-		-
4.5.		Other current operating expenses	-	-	-		-
4.6.		Acquisition expenses for LaLiga registrable players	-	-	-		-
4.7.		Acquisition expenses for LaLiga non-registrable players	-	-	-		-
4.8.		Other	-	-	-		-
6.	<b>Amortisation (-)</b>		-	-	-		-
6.1.		Amortisation of tangible fixed assets	-	-	-		-
6.2.		Amortisation of intangible assets (excluding players)	-	-	-		-
6.3.		Amortisation of the acquisition rights for LaLiga registrable players	-	-	-		-
6.4.		Amortisation of the acquisition rights for LaLiga non-registrable players	-	-	-		-
6.5.		Other amortisation	-	-	-		-
7.	<b>Allocation of grants for non-financial fixed assets and others (+)</b>		-	-	-		-
7.1.		Capital grants transferred to profit/loss	-	-	-		-
7.2.		Other	-	-	-		-
8.	<b>Excess of provisions (+/-)</b>		-	-	-		-

9.	<b>Impairment and income from disposals (+/-)</b>	-	-	-	-
9.1.	Proceeds from player transfers	-	-	-	-
9.1.1	Transfers	-	-	-	-
9.1.2	Other	-	-	-	-
9.2.	Losses from player transfers	-	-	-	-
9.2.1	Transfers	-	-	-	-
9.2.3	Other	-	-	-	-
9.3.	Proceeds from fixed assets and one-off revenues	-	-	-	-
9.4	Losses from fixed assets and one-off expenses	-	-	-	-
10.	<b>Other Profits (Losses)</b>	-	-	-	-
11.	<b>Operating profit/loss</b>	-	-	-	-
12.	<b>Finance income (+)</b>	-	-	-	-
12.1.	From marketable securities and other financial instruments	-	-	-	-
12.2.	From third parties	-	-	-	-
12.3.	From Sports Entities	-	-	-	-
12.4.	Other	-	-	-	-
13.	<b>Financial expenses (-)</b>	-	-	-	-
13.1	Due to debts with third parties	-	-	-	-
13.2	Due to debts with Sports Entities	-	-	-	-
	Other	-	-	-	-
	Exchange differences	-	-	-	-
15.	<b>Impairment and income from disposals of financial instruments (+/-)</b>	-	-	-	-
16.	<b>Total Financial Profit/Loss</b>	-	-	-	-
17.	<b>Pre-tax profit/loss</b>	-	-	-	-
18.	<b>Tax on profit (+)/(-)</b>	-	-	-	-
	<b>Surplus / (Deficit)</b>	-	-	-	-
	Note	The descriptions of the different items, the concepts comprising them and the rules and criteria for their respective calculations, as well as their possible minimum or maximum limits, are included in the Annex entitled "Description and Valuation of LaLiga Revenues and Expenditure Budget Items"			

<div>  <div> <b>LALIGA</b>  <b>STANDARDS FOR THE PREPARATION OF THE BUDGETS OF CLUBS AND SADs</b>  <b>ANNEX I.1 ESTIMATE FOR THE CLOSE OF SEASON T-1 PROFIT AND LOSS (ARTICLE 18)</b>  <b>STRUCTURE AND CONTENT</b> </div> </div>							
	CLUB/ SAD						Thousands of Euros
	Season						
Item Number	Items/Sub-Items	Actual Season T-3	Actual Season T-2	Estimated Season T-1 1st Half	Estimated Season T-1 1st Half		Estimated Total Season T-1
1.	<b>Net Turnover</b>	-	-	-	-		-
1.1.	<b>Revenue from competitions (+)</b>	-	-	-	-		-
1.1.1.	LaLiga	-	-	-	-		-
1.1.2.	Copa de SM el Rey	-	-	-	-		-
1.1.3.	Supercopa de España	-	-	-	-		-
1.1.4.1.	UEFA	-	-	-	-		-
1.1.4.2.	Champions League	-	-	-	-		-
1.1.4.3.	UEFA Super Cup	-	-	-	-		-
1.1.5.	Other competitions and friendly matches	-	-	-	-		-
1.1.6.	Other	-	-	-	-		-
1.2.	<b>Revenue from subscribers and members (+)</b>	-	-	-	-		-
1.3.	<b>Revenue from the use of facilities (+)</b>	-	-	-	-		-
1.4.	<b>Revenue from broadcasting (+)</b>	-	-	-	-		-
1.5.	<b>Revenue from marketing (+)</b>	-	-	-	-		-
1.5.1.	Shop sales	-	-	-	-		-
1.5.2.	Sponsorships	-	-	-	-		-
1.5.3.	Other	-	-	-	-		-
1.6.	<b>Revenue from advertising (+)</b>	-	-	-	-		-
1.6.1.	Static advertising	-	-	-	-		-
1.6.2.	Dynamic advertising	-	-	-	-		-
1.6.3.	Other	-	-	-	-		-
5.	<b>Procurements and variations in stock (+)/(-)</b>	-	-	-	-		-
5.1.	Consumption of sports equipment	-	-	-	-		-
5.2.	Other consumption	-	-	-	-		-
5.4.	Variations in stock	-	-	-	-		-
5.3.	Other	-	-	-	-		-
1.7.	<b>Other revenue (+)</b>	-	-	-	-		-
1.7.1.	LaLiga revenue	-	-	-	-		-
1.7.2.	Operating subsidies and other	-	-	-	-		-
1.7.3.	Work performed for the entity and other	-	-	-	-		-
1.7.4.	Cessions	-	-	-	-		-
1.7.5.	Other	-	-	-	-		-

2.	<b>Non-sports staff costs (-)</b>		-	-	-	-		-
2.1.	Wages and salaries of non-sports staff		-	-	-	-		-
2.2.	Compensation to non-sports staff		-	-	-	-		-
2.3.	Social security of non-sports staff		-	-	-	-		-
2.4.	Contributions to supplementary pension systems and other obligations to staff		-	-	-	-		-
2.5.	Staff welfare costs		-	-	-	-		-
2.6.	Other		-	-	-	-		-
3.	<b>Squad costs (-)</b>		-	-	-	-		-
3.1.	<b>LaLiga registrable squad costs</b>		-	-	-	-		-
3.1.1.	Wages and salaries, LaLiga registrable squad		-	-	-	-		-
3.1.2.	Compensation, LaLiga registrable squad		-	-	-	-		-
3.1.3.	Social security, LaLiga registrable squad		-	-	-	-		-
3.1.4.	Expenses for image rights to companies holding the same		-	-	-	-		-
3.1.5.	Collective bonuses, LaLiga registrable squad		-	-	-	-		-
3.1.6.	Other		-	-	-	-		-
3.2.	<b>LaLiga non-registrable squad costs</b>		-	-	-	-		-
3.2.1.	Wages and salaries, LaLiga non-registrable squad		-	-	-	-		-
3.2.2.	Compensation, LaLiga non-registrable squad		-	-	-	-		-
3.2.3.	Social security, LaLiga non-registrable squad		-	-	-	-		-
3.2.4.	Expenses for image rights to companies holding the same		-	-	-	-		-
3.2.5.	Collective bonuses, LaLiga non-registrable squad		-	-	-	-		-
3.2.6.	Other		-	-	-	-		-
4.	<b>Other operating expenses (-)</b>		-	-	-	-		-
4.1.	External services		-	-	-	-		-
4.2.	Taxes		-	-	-	-		-
4.3.	Losses, impairment and variations in provisions due to commercial transactions		-	-	-	-		-
4.4.	Displacements		-	-	-	-		-
4.5.	Other current operating expenses		-	-	-	-		-
4.6.	Acquisition expenses for LaLiga registrable players		-	-	-	-		-
4.7.	Acquisition expenses for LaLiga non-registrable players		-	-	-	-		-
4.8.	Other		-	-	-	-		-
6.	<b>Amortisation (-)</b>		-	-	-	-		-
6.1.	Amortisation of tangible fixed assets		-	-	-	-		-
6.2.	Amortisation of intangible assets (excluding players)		-	-	-	-		-
6.3.	Amortisation of the acquisition rights for LaLiga registrable players		-	-	-	-		-
6.4.	Amortisation of the acquisition rights for LaLiga non-registrable players		-	-	-	-		-
6.5.	Other amortisation		-	-	-	-		-
7.	<b>Allocation of grants for non-financial fixed assets and others (+)</b>		-	-	-	-		-
7.1.	Capital grants transferred to profit/loss		-	-	-	-		-
7.2.	Other		-	-	-	-		-
8.	<b>Excess of provisions (+/-)</b>		-	-	-	-		-

9.		<b>Impairment and income from disposals (+/-)</b>	-	-	-	-	-
9.1.		Proceeds from player transfers	-	-	-	-	-
9.1.1		Transfers	-	-	-	-	-
9.1.2		Other	-	-	-	-	-
9.2.		Losses from player transfers	-	-	-	-	-
9.2.1		Transfers	-	-	-	-	-
9.2.3		Other	-	-	-	-	-
9.3.		Proceeds from fixed assets and one-off revenues	-	-	-	-	-
9.4		Losses from fixed assets and one-off expenses	-	-	-	-	-
10.		<b>Other Profits (Losses)</b>	-	-	-	-	-
11.		<b>Operating profit/loss</b>	-	-	-	-	-
12.		<b>Finance income (+)</b>	-	-	-	-	-
12.1.		From marketable securities and other financial instruments	-	-	-	-	-
12.2.		From third parties	-	-	-	-	-
12.3.		From Sports Entities	-	-	-	-	-
12.4.		Other	-	-	-	-	-
13.		<b>Financial expenses (-)</b>	-	-	-	-	-
13.1		Due to debts with third parties	-	-	-	-	-
13.2		Due to debts with Sports Entities	-	-	-	-	-
		Other	-	-	-	-	-
		Exchange differences	-	-	-	-	-
15.		<b>Impairment and income from disposals of financial instruments (+/-)</b>	-	-	-	-	-
16.		<b>Total Financial Profit/Loss</b>	-	-	-	-	-
17.		<b>Pre-tax profit/loss</b>	-	-	-	-	-
18.		<b>Tax on profit (+)/(-)</b>	-	-	-	-	-
		<b>Surplus / (Deficit)</b>	-	-	-	-	-
	Note	The descriptions of the different items, the concepts comprising them and the rules and criteria for their respective calculations, as well as their possible minimum or maximum limits, are included in the Annex entitled "Description and Valuation of LaLiga Revenues and Expenditure Budget Items"					





**LALIGA**  
**STANDARDS FOR THE PREPARATION OF THE BUDGETS OF CLUBS AND SADs**  
**ANNEX I.2**  
**ESTIMATE FOR THE CLOSE OF SEASON T-1 BALANCE SHEET (ARTICLE 18)**  
**STRUCTURE AND CONTENT**


CLUB/SAD Season	Thousands of Euros									
BALANCE SHEET - ASSETS	Actual T- 3	Actual T- 2	Actual T-1 December	Estimated T-1 June		BALANCE SHEET - EQUITY AND LIABILITIES	Actual T- 3	Actual T- 2	Actual T-1 December	Estimated T-1 June
NON-CURRENT ASSETS	-	-	-	-		EQUITY	-	-	-	-
Intangible assets	-	-	-	-		Own funds	-	-	-	-
Intangible assets, sports	-	-	-	-		Capital	-	-	-	-
Player acquisition rights	-	-	-	-		Issue premium	-	-	-	-
Other	-	-	-	-		Legal and statutory reserve	-	-	-	-
Intangible assets, non-sports	-	-	-	-		Other reserves	-	-	-	-
Development	-	-	-	-		Profit (loss) for previous financial years	-	-	-	-
Concessions	-	-	-	-		Other contributions from shareholders	-	-	-	-
Patents, licences, trademarks and similar	-	-	-	-		Profit (loss) for the year	-	-	-	-
Goodwill	-	-	-	-		(Interim dividend)	-	-	-	-
IT applications	-	-	-	-		Other equity instruments	-	-	-	-
Other intangible assets	-	-	-	-		Valuation adjustments	-	-	-	-
Tangible fixed assets	-	-	-	-		Financial assets available for sale	-	-	-	-
Land and buildings	-	-	-	-		Hedging transactions	-	-	-	-
Facilities and other tangible fixed assets	-	-	-	-		Other	-	-	-	-
Assets in construction and advances	-	-	-	-		Subsidies, donations and legacies received	-	-	-	-
Investment property	-	-	-	-		NON-CURRENT LIABILITIES	-	-	-	-
Land	-	-	-	-		Long-term provisions	-	-	-	-
Buildings	-	-	-	-		Obligations under long-term staff benefits	-	-	-	-
Long-term investments in group companies and associates	-	-	-	-		Environmental actions	-	-	-	-
Equity instruments	-	-	-	-		Provisions for restructurings	-	-	-	-
Loans to companies	-	-	-	-		Other provisions	-	-	-	-
Debt securities	-	-	-	-		Long-term payables	-	-	-	-
Derivatives	-	-	-	-		Bank borrowings	-	-	-	-
Other financial assets	-	-	-	-		Debts with Clubs and/or SADs due to transfers/cessions	-	-	-	-
Long-term financial assets	-	-	-	-		Debts with sports entities	-	-	-	-
Equity instruments	-	-	-	-		Finance lease liabilities	-	-	-	-
Loans to third parties	-	-	-	-		Sports staff	-	-	-	-
Debtor Sports Entities due to transfers / cessions	-	-	-	-		Non-sports staff	-	-	-	-
Debtor Sports Entities due to other concepts	-	-	-	-		Bankruptcy debts	-	-	-	-
Debt securities	-	-	-	-		Debts with public authorities	-	-	-	-
Derivatives	-	-	-	-		Derivatives	-	-	-	-
Other financial assets	-	-	-	-		Other financial liabilities	-	-	-	-
Long-term accruals	-	-	-	-		Debts with group companies and associates	-	-	-	-
Deferred tax assets	-	-	-	-		Deferred tax liabilities	-	-	-	-
CURRENT ASSETS	-	-	-	-		Long-term accruals	-	-	-	-
Non-current assets held for sale	-	-	-	-		CURRENT LIABILITIES	-	-	-	-
Stock	-	-	-	-		Short-term provisions	-	-	-	-
Trade debtors and other accounts receivable	-	-	-	-		Short-term debts	-	-	-	-
Subscribers and membership fees	-	-	-	-		Bank borrowings	-	-	-	-
Debtor Sports Entities due to transfers / cessions	-	-	-	-		Debts with Clubs and/or SADs due to transfers/cessions	-	-	-	-
Debtor Sports Entities due to other concepts	-	-	-	-		Debts with sports entities	-	-	-	-
Sundry accounts receivable	-	-	-	-		Finance lease liabilities	-	-	-	-
Sports staff	-	-	-	-		Derivatives	-	-	-	-
Non-sports staff	-	-	-	-		Other financial liabilities	-	-	-	-
Current tax assets	-	-	-	-		Debts with group companies and associates	-	-	-	-
Other debts with Public Authorities	-	-	-	-		Trade creditors and other accounts payable	-	-	-	-
Other debtors and accounts receivable	-	-	-	-		Creditors	-	-	-	-
Short-term investments in group companies and associates	-	-	-	-		Debts with sports entities	-	-	-	-
Equity instruments	-	-	-	-		Sports staff	-	-	-	-
Loans to companies	-	-	-	-		Non-sports staff	-	-	-	-
Debt securities	-	-	-	-		Other debts	-	-	-	-
Derivatives	-	-	-	-		Bankruptcy debts	-	-	-	-
Other financial assets	-	-	-	-		Debts with Public Authorities	-	-	-	-
Short-term financial investments	-	-	-	-		Short-term accruals	-	-	-	-
Equity instruments	-	-	-	-		TOTAL EQUITY AND LIABILITIES	-	-	-	-
Loans to companies	-	-	-	-						
Debt securities	-	-	-	-						
Derivatives	-	-	-	-						
Other financial assets	-	-	-	-						
Short-term accruals	-	-	-	-						
Cash and cash equivalents	-	-	-	-						
Cash	-	-	-	-						
Cash equivalents	-	-	-	-						
TOTAL ASSETS	-	-	-	-						



**LALIGA**  
STANDARDS FOR THE PREPARATION OF THE BUDGETS OF CLUBS AND SADs  
ANNEX I.3  
ABRIDGED REVENUES AND EXPENDITURE BUDGET

**STRUCTURE AND CONTENT**

				Thousands of Euros
Revenues and Expenditure Budget	Actual Season T-3	Actual Season T-2	Estimated T-1	Budget for T
Revenues and Expenditure Budget	0	0	0	0
Net Turnover (+)	0	0	0	0
Revenue from competitions (+)	0	0	0	0
Revenue from subscribers and members (+)	0	0	0	0
Revenue from the use of facilities (+)	0	0	0	0
Revenue from marketing (+)	0	0	0	0
Revenue from advertising (+)	0	0	0	0
Procurements and variations in stock (+)/(-)	0	0	0	0
Other revenue (+)	0	0	0	0
Non-sports staff costs (-)	0	0	0	0
Squad costs (-)	0	0	0	0
LaLiga registrable squad costs	0	0	0	0
Wages and salaries, LaLiga registrable squad	0	0	0	0
Compensation, LaLiga registrable squad	0	0	0	0
Social security, LaLiga registrable squad	0	0	0	0
Expenses for image rights to companies holding the same	0	0	0	0
Collective bonuses, LaLiga registrable squad	0	0	0	0
Other	0	0	0	0
LaLiga non-registrable squad costs	0	0	0	0
Wages and salaries, LaLiga non-registrable squad	0	0	0	0
Compensation, LaLiga non-registrable squad	0	0	0	0
Social security, LaLiga non-registrable squad	0	0	0	0
Expenses for image rights to companies holding the same	0	0	0	0
Collective bonuses, LaLiga non-registrable squad	0	0	0	0
Other	0	0	0	0
Other operating expenses (-)	0	0	0	0
External services	0	0	0	0
Taxes	0	0	0	0
Losses, impairment and variations in provisions due to commercial transactions	0	0	0	0
Displacements	0	0	0	0
Other current operating expenses	0	0	0	0
Acquisition expenses for LaLiga registrable players	0	0	0	0
Acquisition expenses for LaLiga non-registrable players	0	0	0	0
Other	0	0	0	0
Amortisation (-)	0	0	0	0
Amortisation of tangible fixed assets	0	0	0	0
Amortisation of intangible assets (excluding players)	0	0	0	0
Amortisation of the acquisition rights for LaLiga registrable players	0	0	0	0
Amortisation of the acquisition rights for LaLiga non-registrable players	0	0	0	0
Other amortisation	0	0	0	0
Allocation of grants for non-financial fixed assets and others (+)	0	0	0	0
Excess of provisions (+/-)	0	0	0	0
Impairment and income from disposals (+) (-)	0	0	0	0
Proceeds from player transfers	0	0	0	0
Transfers	0	0	0	0
Cessions	0	0	0	0
Other	0	0	0	0
Losses from player transfers	0	0	0	0
Transfers	0	0	0	0
Cessions	0	0	0	0
Other	0	0	0	0
Proceeds from fixed assets and one-off revenues	0	0	0	0
Losses from fixed assets and one-off expenses	0	0	0	0
Operating profit/loss	0	0	0	0
Finance income (+)	0	0	0	0
Financial expenses (-)	0	0	0	0
Impairment and income from disposals of financial instruments (+/-)	0	0	0	0
Total Financial Profit/Loss	0	0	0	0
Pre-tax profit/loss (+)/(-)	0	0	0	0
Tax on profit	0	0	0	0
(Surplus / (Deficit)	0	0	0	0

<div>  <div> LALIGA  STANDARDS FOR THE PREPARATION OF THE BUDGETS OF CLUBS AND SADs  ANNEX II  LALIGA INVESTMENTS AND DIVESTMENTS BUDGET (ARTICLE 15)  STRUCTURE AND CONTENT </div> </div>				
Club/SAD		Thousands of Euros		
Season				
Investment Budget	Actual Season T-3	Actual Season T-2	Estimated Season T-1	Budget Season T
LaLiga registrable players	-	-	-	-
LaLiga non-registrable players	-	-	-	-
Other intangible assets	-	-	-	-
Tangible fixed assets, sports	-	-	-	-
Other tangible fixed assets	-	-	-	-
Group financial fixed assets	-	-	-	-
Other financial fixed assets	-	-	-	-
Total investments (-)	-	-	-	-
LaLiga registrable players	-	-	-	-
LaLiga non-registrable players	-	-	-	-
Other intangible assets	-	-	-	-
Tangible fixed assets, sports	-	-	-	-
Other tangible fixed assets	-	-	-	-
Group financial fixed assets	-	-	-	-
Other financial fixed assets	-	-	-	-
Total divestments (+)	-	-	-	-
Surplus / (Deficit)	-	-	-	-



**STANDARDS FOR THE PREPARATION OF THE BUDGETS OF CLUBS AND SADs**  
**ANNEX III**  
**LALIGA FINANCING BUDGET (ARTICLE 16)**  
**STRUCTURE AND CONTENT**

CLUB/SAD				Thousands of Euros Season
Financing Budget	Actual Season T-3	Actual Season T-2	Estimated Season T-1	Budget Season T
Credit institutions	-	-	-	-
Group companies	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
<b>Total Financing Obtained (+)</b>	-	-	-	-
Obtained in the current season	-	-	-	-
Credit institutions	-	-	-	-
Group companies	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Obtained in previous seasons	-	-	-	-
Credit institutions	-	-	-	-
Group companies	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
<b>Total Financing Returned (-)</b>	-	-	-	-
<b>Surplus / (Deficit)</b>	-	-	-	-



Club/SAD  
Season

**LALIGA**  
**STANDARDS FOR THE PREPARATION OF THE BUDGETS OF CLUBS AND SADs**  
**ANNEX IV**  
**LALIGA TREASURY BUDGET (ARTICLE 17)**  
**STRUCTURE AND CONTENT**

Treasury Budget													Thousands of Euros	
	July	August	September	October	November	December	January	February	March	April	May	June	Treasury Budget Season T	Revenues/ expenditure for T, contained in the other Annexes
<b>Cash Flows from Operating Activities</b>														
<b>Revenue from competitions</b>														
LaLiga														
Copa de SM el Rey														
Supercopa de España														
UEFA														
Champions League														
UEFA Super Cup														
Other competitions and friendly matches														
Other														
<b>Revenue from subscribers and members</b>														
<b>Revenue from the use of facilities</b>														
<b>Revenue from broadcasting</b>														
<b>Revenue from marketing</b>														
Shop sales														
Sponsorships														
Other														
<b>Revenue from advertising</b>														
Static advertising														
Dynamic advertising														
Other														
<b>Other revenue</b>														
LaLiga revenue														
Operating subsidies and other														
Cessions														
Other														
<b>Allocation of grants for non-financial fixed assets and others</b>														
Capital grants transferred to profit/loss														
Other														
<b>Tax refund</b>														
<b>Other collections</b>														
Collections from season tickets for following seasons														
Other collections from following seasons														
<b>Total collections (+)</b>														

<b>Procurements and variations in stock</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of sports equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Non-sports staff costs</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wages and salaries of non-sports staff	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensation to non-sports staff	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Social security of non-sports staff	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions to supplementary pension systems and other obligations to staff	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Staff welfare costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sports staff costs</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LaLiga registrable squad costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wages and salaries, LaLiga registrable squad	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensation, LaLiga registrable squad	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Social security, LaLiga registrable squad	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses for image rights to companies holding the same	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collective bonuses, LaLiga registrable squad	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>LaLiga non-registrable squad costs</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wages and salaries, LaLiga non-registrable squad	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Compensation, LaLiga non-registrable squad	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Social security, LaLiga non-registrable squad	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses for image rights to companies holding the same	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collective bonuses, LaLiga non-registrable squad	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other operating expenses</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
External services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Displacements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other current operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition expenses for LaLiga registrable players	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition expenses for LaLiga non-registrable players	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Payment of taxes (T)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IRPF (tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IVA (VAT)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments for deferred taxes (VAT, IRPF, IS...) the deferment of which corresponds to expenses and/or income accrued in T	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other payments</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other payments from following seasons	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total payments (-)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



Long-term and working capital net payments and receipts existing as of the close of yearend for the previous year (T-1) \*

Revenues/exp  
enditure for T,  
contained in  
the other  
Annexes

BCE balance

**Stock (+)**

**Trade debtors and other accounts receivable (+)**

## Subscribers and membership fees

### Debtor Sports Entities due to transfers/cessions

### Debtor Sports Entities due to other concepts

Sundry accounts receivable

Sports staff

Non-sports staff

Current tax assets

### Other debts with Public Authorities

Other debtors and accounts receivable

**Trade creditors and other accounts payable (-)**

## Creditors

### Debts with sports entities

Sports staff

Non-sports staff

Other debts

Debts with public authorities (Current in T-1)

**Bankruptcy debts (-)**

Public Authorities preferential

Other preferential

Public Authorities ordinary

Other ordinary

Public Authorities subordinated

**Treasury at start of period****Surplus / (Deficit) budgeted**

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



**LALIGA**

**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 ACCOUNTING PLAN ACCOUNT REFERENCE	NAME	DESCRIPTION	VALUATION LIMITATIONS AND RULES/CRITERIA (THOSE CORRESPONDING TO A PARTICULAR ITEM ARE APPLIED, UNLESS OTHERWISE STATED, TO ALL THE SUB-ITEMS COMPRISING IT)	ADDITIONAL DOCUMENTATION TO BE PROVIDED BY THE CLUB/SAD
<b>1.</b>		<b>Net Turnover</b>	Sum of the Budget Sub-Items 1.1 to 1.7.	<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> <p>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>”.</p> <p>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.</p>	
<b>1.1.</b>		<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</p>		

			as well as for the revenue from friendly matches.  Does not include revenue from subscribers and memberships, which will be included in Item 2.		
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-5 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 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 percent (15%) of the amount actually collected for this concept in Season T-1.  <i>Example:</i> <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>  <i>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.</i></li> </ol>	
1.1.3.	703	Supercopa de España		<ol style="list-style-type: none"> <li>1. 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> </ol>	

				2. 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-4, the Club/SAD may draw up a <b>Valuation Alternative</b> .	
1.1.4.	702	Revenue from European Competitions.	Revenue arising from participating in any European Competition.	<p>Common Notes on Revenue from European Competitions.</p> <ol style="list-style-type: none"> <li>1. 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 of the revenue obtained in 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>2. 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>3. 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>1. See Item 1.1.4. Rules applicable to this Sub-Item.</li> <li>2. 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-5 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 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-5 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 round of 16 of the UEFA Europa League, and did so without going through the first phase of the Champions League competition. 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 round of 16 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		<p>1. 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.</p> <p>2. 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 Valuation Alternative.</p>	
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.	<p>1. The budgeted amount may not exceed the Estimated amount for Season T-1.</p> <p>2. Special rules:</p> <p>a. 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.</p> <p>b. 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, for the purposes 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>	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. Standard Reporting Form 101 will be used

				<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>	
<b>1.3.</b>	<b>712</b>	<b>Revenue from the use of facilities (+)</b>	<p>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. and 1.4.3). Revenue arising from the market pool 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.</p>	<ol style="list-style-type: none"> <li>For the season when these rules come into force, T 2017-2018, this item will have no previous values, and so the Club/SAD should present a Valuation Alternative.</li> <li>For subsequent seasons after T 2017/2018, 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>Special rule: a Club/SAD may only present revenue greater than that defined in point 2 if it appropriately justified, and so a Valuation Alternative should be presented.</li> <li>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>	
<b>1.4.</b>	<b>707</b>	<b>Revenue from broadcasting (+)</b>			
1.4.1.		<b>Revenue from marketing rights to exploit audiovisual content in accordance with Royal Decree-Law 5/2015 of 30th April.</b>			
1.4.2.					

		<b>Revenue from sharing rights to exploit audiovisual content on European Competitions (market pool).</b>	Revenue arising from the market pool 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.	<ol style="list-style-type: none"> <li>Only the amount justified by firm Contracts will be accepted.</li> <li>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 to T-1, provided that the Club/SAD played in the division it plans to play in T.</li> <li>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.</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)
1.4.3.		<b>Other revenue from rights to exploit audiovisual content not included in Sub-Items 1.4.1 and 1.4.2.</b>			
<b>1.5.</b>	<b>706</b>	<b>Revenue from marketing (+)</b>	Sum of Items 1.5.1, 1. 5.2 and 1.5.3.		
1.5.1.		Shop sales.	Revenues arising from sales in official shops or any other distribution channel (authorised distributors, online, museum etc.).	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. If it was Season T-1, the Estimated Amount for Season T-1 will be taken into account. 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>Valoration Alternative</b> which should be approved by the Validation Body.	
1.5.2.		Sponsorships.	Revenue from Sponsorship Contracts and similar.	<ol style="list-style-type: none"> <li>Budgeted revenue that is not justified by firm Contracts, the contractual income for which does not cover at least ninety percent (90%) of the amount budgeted under this Item will not be accepted.</li> <li>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.</li> <li>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.</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)

1.5.3.		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 percent (90%) 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> <li>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.</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)
<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>	<ol style="list-style-type: none"> <li>1. Revenue may only be budgeted under this Item when the amount of which is justified by the corresponding firm Contract.</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> <li>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.</li> <li>4. With respect to the exploitation of advertising that the Club/SAD has not transferred to a third party in exchange for a determined price, instead managing it directly or even doing so through third parties, an amount greater than that of the last Season in which the Club/SAD participated in the Category considered for Season T will not be accepted.</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)
1.6.1.	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.	
1.6.2.	7081	Dynamic advertising.	Revenue from advertising that is conveyed through communication media (radio, television, Internet...).	Rules for Item 1.6 are applied.	
1.6.3	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 licenses, UEFA or any other concept, in the manner and for the amounts agreed for Season T by the competent bodies of <b>LaLiga</b> .	The amount of this Item will be determined directly by LaLiga itself (the Validation Body) and the corresponding figure reported to the Club/SAD before 16th March, Season T-1.	
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 other.	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 Federative Player Rights.	Revenue from temporary cessions of Federative Player Rights.	Revenue from the Temporary Cession of Federative Player 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	Other.	Includes revenue from other various activities, such as leases, hospitality, lotteries, parking, insurance payments etc.  Funds received as a result of starting to participate in a lower Sports Category will be included.	1. With respect to the accounts under this Item, an amount greater than the average for the last 3 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 whjich 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 Valoration Alternative 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> .	
<b>2.</b>		<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-two (92) percent 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 Valoration Alternative 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-two (92) percent 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-3, T-2 or T-1, the Valoration Alternative 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-two (92) percent 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-3, T-2 or T-1, the Valoration Alternative 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	The amount budgeted for this Sub-Item may not be less than ninety-two (92) percent 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-3, T-2 or T-1, the Valoration Alternative presented should be approved by the Validation Body.	
2.6.	6491	Other.	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 will be accepted, provided it has been approved by the Validation Body.	
3.		<b>Non-Registrable (-)</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 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 Costs.	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/Trainer'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.	<p>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) PERCENT 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, (for Season T-1 <b>Estimated Amount</b>).</p> <p>If the Club/SAD has not played in the division contemplated for Season T in Season T-3, T-2 or T-1, the Valoration Alternative presented should be approved by the Validation Body.</p>	
3.1.6.	6409	Other.	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 Costs.	Non-Registrable Squad Costs. Sum of Sub-Items 3.2.1 to 3.2.6.		
3.2.1.	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 income for the Non-Registrable Squad.		
3.2.2.	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.		
3.2.3.	6430	Social security, Non-Registrable Squad.	Social Security payments.		
3.2.4.		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.		
3.2.5.	6403/6404	Collective bonuses, Non-Registrable Squad.	Bonuses accrued collectively in favour of Players because of achieving the team's sporting objectives in question.		
3.2.6.	6409	Other.	Concepts that constitute Non-Registrable Squad costs that are not included in previous Sub-Items 3.2.1 to 3.2.5.		
<b>4.</b>		<b>Other operating expenses (-)</b>	<b>Sum of Sub-Items 4.1 to 4.9.</b>		
4.1.	620/621/622/ 623/624/625/ 626/627/628/ 629	External services.	Includes communication expenses (telephone, Internet etc.), leases, repairs and maintenance, services of	The Item corresponding to External Services, no reductions with respect to the <b>Estimated Amount for Season T-1</b> will be accepted.  If the Club/SAD has not played in the division contemplated for Season T in Season T-1, the <b>Valoration Alternative</b> presented should be approved by the Validation Body.	

			<p>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>		
4.2.	631	Taxes.	<p>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, licenses for no-parking areas, security and surveillance etc.).</p>	<p>The amount budgeted for this Sub-Item may not be less than ninety-two (92) percent 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>Valoration Alternative</b> presented should be approved by the Validation Body.</p>	
4.3.	650	Losses, impairment and variations in provisions due to commercial transactions.	<p>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.</p>	<p>The amount budgeted by the Club/SAD will be accepted, although it may be adjusted by the Validation Body.</p>	
4.4.	654	Displacements.	<p>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>	<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>Valoration Alternative</b> presented should be approved by the Validation Body.</p>	
4.5.	659	Other current management expenses.	<p>Includes arbitration rights, licensing costs for Players and Trainers and disciplinary measures.</p> <p>Fees payable as a result of promotion of category.</p>	<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>Valoration Alternative</b> presented should be approved by the Validation Body.</p>	
4.6		Expenses for promotion	<p>Fees to pay as a result of promotion</p>	<p>Includes fees that Clubs/SADs promoted from Second Division A to the First Division and from Second Division B to Second Division A have to reimburse <b>LaLiga</b> for due to the promotion obtained, and which they had received from LaLiga as compensation for relegation before said promotion.</p>	

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	Other.			
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>1. The budgeted expenses for each of the Sub-Items of this Item may not be less than Ninety-two (92) percent of the Estimated Amounts for Season T-1.</li> <li>2. If the Club/SAD has not played in the division contemplated for Season T in Season T-1, the <b>Valoration Alternative</b> presented should be approved by the Validation Body.</li> <li>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.</li> </ol>	The justification referred to in Rule 2 on this Item will be drawn up in accordance with 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	Other.	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	
<b>6.</b>		<b>Amortisation (-)</b>	The Standards of the General Accounting Plan will be applied.		
6.1.	682	Amortisation of tangible fixed assets.		If the budgeted allocation to the amortisation of the tangible fixed asset acquisition costs consisting of sports facilities exceeds 92% of that recorded in Season T-1, the corresponding amount must be justified by the Club/SAD.  An allocation to Amortisation less than ninety-two percent (92%) of the <b>Estimated allocation for Season T-1</b> may not be budgeted.	Standard Reporting Form 106
6.2.	6811	Amortisation of intangible assets (excluding Players).		An allocation to Amortisation less than ninety-two percent (92%) 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-two percent (92%) of the <b>Estimated allocation for Season T-1</b> may not be budgeted.	
<b>7.</b>		<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 of 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	Proceeds from the Transfer of Federative Player Rights. (+)	Profits earned as a result of the Transfer of Federative Player Rights.  Algebraic sum of Sub-Items 9.1.1. and 9.1.2.	<ol style="list-style-type: none"> <li>Calculated as follows: Profit= <ol style="list-style-type: none"> <li>(+) Net price agreed.</li> <li>(-) Net Book Value of the Player's Federative Rights at the time of their Transfer.</li> <li>(-) Amount of transaction expenses and others associated with the Transfer</li> <li>(-) Amount of the implicit interest on the deferred payment of the Price, where appropriate.</li> </ol> </li> <li>The amount of this Sub-Item may not exceed the result of the difference between <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 3 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> </li> <li>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.</li> <li>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.</li> <li>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.</li> <li>Rule applicable to Clubs/SADs in the Second Division. If at the close of the summer Registration Period for players Profits from the transfer of Federative Rights budgeted for Season T have not been realised and accepted by the Validation Body, the amount of this Item shall be adjusted to include Profits effectively realised at the end of said Registration Period plus twenty (20) percent of the amount budgeted for Season T, this latter</li> </ol>	The Certificate from the Authorised Representative stating the profits/losses to 31st January, Season T-1, will be submitted as well. Standard Reporting Form 107 Note (4)

				<p>figure being the limit. The Squad Cost Limit shall be adjusted in accordance therewith by the Validation Body.</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 budgetary 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 (including the amounts received as "rescission clauses" for Players' work contracts) in Season T, said amounts shall increase the amount of this budgetary 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 Rules for Preparing Club and SAD budgets 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.</p>	
9.1.1.		Transfer of Federative Rights.	From the Transfer of Federative Rights.		
9.1.2.	778	Other.	Other Includes revenue from training compensation and solidarity mechanisms calculated according to the FIFA Regulations for the Status and Transfer of Players.	.	
9.2	676	Losses from the Transfer of Federative Player Rights. (-)	Losses incurred as a result of the Transfer of Federative Player Rights.  Algebraic sum of Sub-Items 9.2.1. and 9.2.2.		
9.2.1.		Transfer of Federative Rights	From the Transfer of Federative Rights		

9.2.2.	678	Other	Includes expenditure for training compensation and solidarity mechanisms calculated according to the FIFA Regulations for the Status and Transfer of Players.		
9.3	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
9.4.	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>Income Financial (+)</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.	
12.1.		From marketable securities and other financial instruments.			
12.2.		From group companies.			
12.3.		From Sports Entities.			
12.4.	769	Other.			
12.5	768	(+) exchange rate difference			
<b>13.</b>	<b>66</b>	<b>Expenses financial (-)</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 tax	The Financial Expenses included in this Item must be justified by the corresponding payment and collection flows, contracts or accounting estimates.	

			or social security debts, as well as debts with sports entities and exchange differences.  To be broken down according to the nature of the creditor into the following four Sub-Items Sum of Sub-Items 12.1 to 12.4.		
13.1	662	Bank debts			
13.2		From group companies			
13.3	669	Debts with sports entities			
13.4		Others			
13.5	668	(-) exchange rate difference			
14.		<b>Impairment and income from disposals of financial instruments (+/-)</b>	<b>Description in accordance with the General Accounting Plan</b>		
15.		<b>Total Financial Profit/Loss</b>	<b>Algebraic sum of Items 12 and 13</b>		
16.		<b>Pre-tax profit/loss</b>	<b>Algebraic sum of Items 11 and 15</b>		
17.	630	<b>Tax on (profit +) / (-)</b>			
<b>Note Number</b>	<b>DESCRIPTION OF BUDGET ITEMS AND VALUATION CRITERIA AND RULES ANNEX NOTES ON APPLICATION</b>				
<b>1</b>	<b>Estimated Amount Season T-1</b>	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:  a) The amounts entered in the audited Interim Financial Statements.			

		<p>b) Deducting the quantified exceptions included on the Audit report for the aforementioned Interim Financial Statements.</p> <p>c) And the forecast and estimate of the amounts for the period of the last half of Season T-1, i.e. between 1st January and 30th June of said Season, which must be consistent with those that were actually incurred as of the date of submitting the LaLiga Budgets.</p>
<b>2</b>	<b>Valuation Alternatives</b>	<b>Valuation Alternatives</b> 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 31 of these Standards and which, in accordance with the same, must be examined and, where appropriate, accepted by the Validation Body.
<b>3</b>	<b>General Accounting Plan Account Numbering</b>	The numbering of the General Accounting Plan Accounts is included for reference purposes only, however, the valuation criteria, rules and descriptions laid down in these Standards will in any case prevail.
<b>4</b>	<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



LALIGA

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

## LIST OF STANDARD REPORTING FORMATS ANNEX

<b>STANDARD REPORTING FORMATS OF THE FULL TEXT</b>		
<b>Standard Reporting Form Number</b>	<b>Reference Article in the Standards</b>	<b>Standard Reporting Form Description</b>
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/Trainer 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 Federative Player 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-Items 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-Items: 9.1/9.2/9.3./10	Certification from the Authorised Representative on the Profits/Losses generated to 31st January Season T-1.



## LALIGA

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	<b>Calculated amount of the lower Positive contribution to the Profit/Loss (in thousands of Euros)</b>	
5	<b>Explanation for the calculation of the amount of the lower Positive contribution to the Profit/Loss</b>	
6	<b>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</b>	

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	

LALIGA

Standards for the Preparation of the Budgets of Clubs and SADs

**Standard Reporting Form MN 2**

Reference Article(s): 18.1.c)

Description: Information concerning Taxes and Charges on:

- I) Federative Rights
- II) Audiovisual Rights.
- III) Any other assets and/or rights.

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

<b>season</b>		<b>date</b>	
<b>CLUB/SAD</b>			
<b>DATE</b>			
<b>AUTHORISED REPRESENTATIVE</b>			
<b>POSITION</b>			
<b>SIGNATURE</b>			

PLAYER NAME	% FEDERATIVE RIGHTS LEVIED	CREDITOR	NATURE OF THE CHARGE (ASSIGNMENT AS SECURITY/OTHER GUARANTEE/LIEN)	NATURE OF THE OBLIGATION GUARANTEED	AMOUNT GUARANTEED	TRANSACTION DATE

**II) INFORMATION CONCERNING TAXES AND CHARGES ON THE CREDIT CLAIMS ARISING FROM THE EXPLOITATION OF THIS CLUB/SAD'S AUDIOVISUAL RIGHTS AS OF 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 AS OF  
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

LALIGA

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**

<b>SEASON</b>		<b>DATE</b>	
<b>CLUB/SAD</b>			
<b>DATE</b>			
<b>AUTHORISED REPRESENTATIVE</b>			
<b>POSITION</b>			
<b>SIGNATURE</b>			



DOCUMENT (CREDITORS' AGREEMENT/SPECIAL AGREEMENT)	CALCULATION BASIS	CALCULATION CONCEPT	PAYMENT TYPE: FIXED/VARIABLE	CALCULATION FORMULA	PAYMENT AMOUNT	PAYMENT DATE
<i>Example</i> <i>Creditors' Agreement</i>	<i>10,000</i>	<i>Ordinary Debt</i>	<i>Fixed</i>	<i>10,000 *7% annual</i>	<i>Result of the Formula applied s/ the Calculation basis</i>	<i>xx/xx/20xx</i>
<i>Example</i> <i>Special Agreement with AEAT (Spanish tax authorities)</i>	<i>€xxx</i>	<i>Federative player rights transfer amount</i>	<i>Variable</i>	<i>Transfer amount * 10%</i>	<i>Result of the Formula applied s/ the Calculation basis</i>	<i>xx/xx/20xx</i>

LALIGA

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**

<b>SEASON</b>		<b>DATE</b>	
<b>CLUB/SAD</b>			
<b>DATE</b>			
<b>AUTHORISED REPRESENTATIVE</b>			
<b>POSITION</b>			
<b>SIGNATURE</b>			

SEASON T-3 (AUDITED)						
PLAYER NAME	DATE OF THE TRANSACTION	ACQUIRER CLUB/SAD	PRICE OF THE TRANSFER	EXPENSES ASSOCIATED WITH THE TRANSFER (INCLUDING IMPLICIT EXPENSES)	NET BOOK VALUE OF THE FEDERATIVE RIGHTS	PROFIT /LOSS

SEASON T-2 (AUDITED)						
PLAYER NAME	DATE OF THE TRANSACTION	ACQUIRER CLUB/SAD	PRICE OF THE TRANSFER	EXPENSES ASSOCIATED WITH THE TRANSFER (INCLUDING IMPLICIT EXPENSES)	NET BOOK VALUE OF THE FEDERATIVE RIGHTS	PROFIT /LOSS

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

LALIGA

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.

<b>Season</b>		<b>Date</b>
<b>Club/SAD</b>		
<b>Authorised Representative</b>		
<b>Position</b>		<b>Signature</b>

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**

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

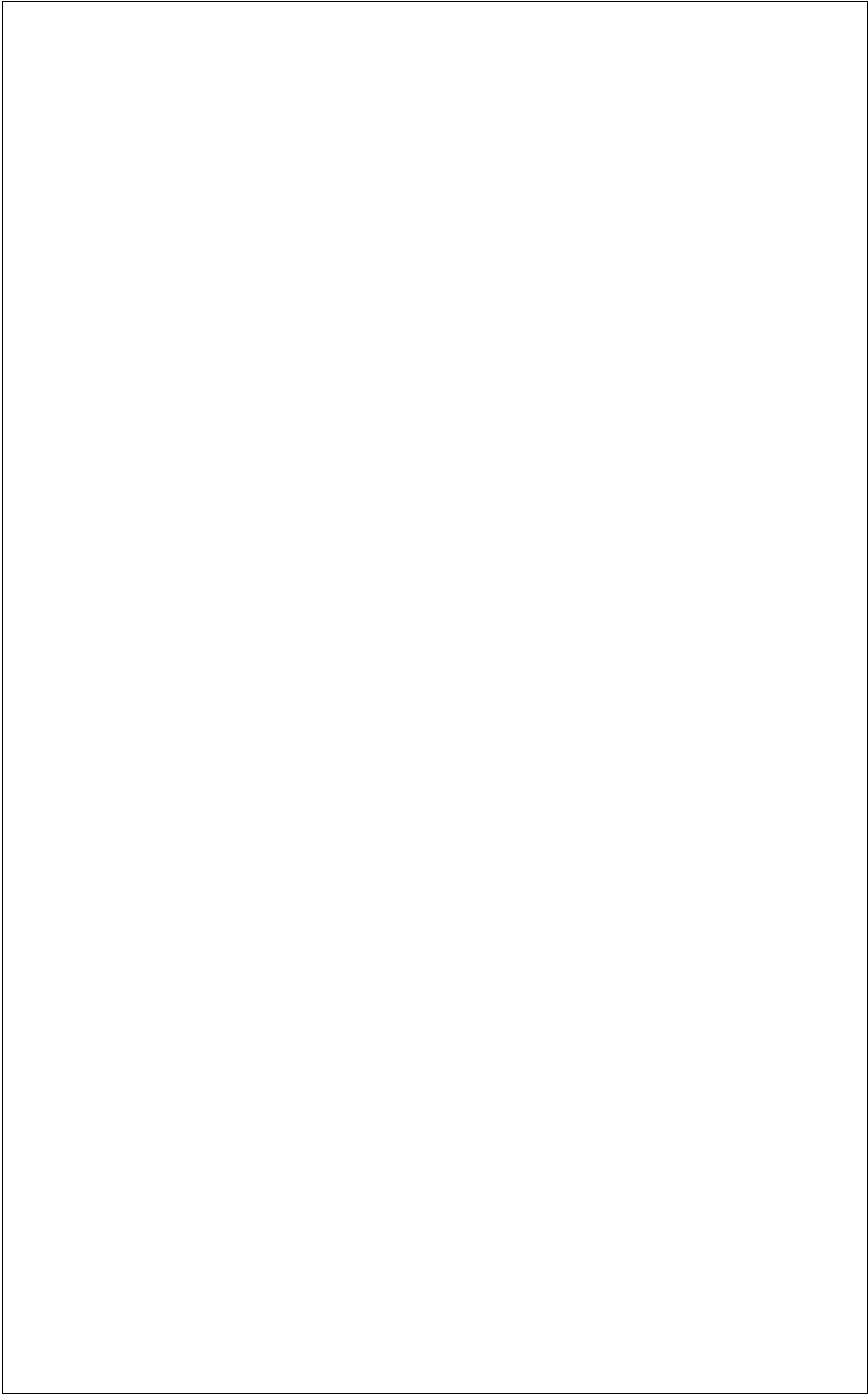
**JUDICIAL OR EXTRAJUDICIAL CLAIMS FILED AGAINST THE CLUB/SAD.**

Date	Time	Location	Weather	Wind	Temp	Humidity	Pressure	Remarks

### EXPLANATION FOR THE BUDGET ITEMS

Date	Time	Location	Weather	Notes





LALIGA

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**

<b>Season</b>		<b>Date</b>
<b>Club/SAD</b>		
<b>Authorised Representative</b>		
<b>Position</b>		<b>Signature</b>

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]*, *[date]*

The AUTHORISED REPRESENTATIVE

Signed [ ]

<b>LALIGA</b> <b>Economic Control</b> <b>Standards for the Preparation of LaLiga Budgets</b>  <b>Standard Reporting Form MN 7 Art. 21. Standards</b> <b>Regular Reporting for Verification</b>	<b>Club/SAD</b> <b>Season</b> <input type="text"/> <b>Date of Submission</b> <input type="text"/>
	<b>This Standard Reporting Form must be submitted together with the Audited Annual Accounts for Season T-1</b>
<b>Amounts in thousands of Euros</b>	

Squad Cost Differences				
Concept	Communicated and accepted/allocated by the Validation Body (including updates)	Actual Amount Season	Differences (+/-)	Observations/Comments
Total Squad Cost				
Registrable Squad Cost				
Non-registrable Squad Cost				
Registrable over Total Cost				
Percentage variable concepts/total concepts				

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	Differences (+/-)	Observations/Comments
Proceeds from the Transfer of Federative Player Rights				
Extraordinary Profits				
Audiovisual Contract Increases				
Capital Contributions (Arts. 82 et seq.)				
Other Revenue Increases				

Note: the concepts listed here are not exhaustive.

<p align="center"><b>LaLiga</b>  <b>Economic Control</b>  <b>Standards for the Preparation of LaLiga Budgets</b></p> <p align="center"><b>Standard Reporting Form MN 8 Art. 21. 4</b>  <b>Standards</b></p> <p align="center">Regular Reporting for Verification (Art. 21 of the Standards)</p>	Club/SAD		
	Season		
	Date of Submission		
	<p><b>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</b></p>		
	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
Profits/Losses from transfers of Federative Player Rights				
Extraordinary Profits				
Audiovisual Contract Increases				
Capital Contributions (Arts. 82 et seq.)				
Other Revenue Increases				

*Note. This information must be verified by the Club/SAD's Account Auditor in a Report on Agreed Procedures*

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LALIGA

Standards for the Preparation of the Budgets of Clubs and SADs

### Standard Reporting Form MN 9

Reference Article(s): 22 and following

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 and following of the Standards**

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

<b>CALCULATION OF ACCEPTABLE FINANCIAL AND ECONOMIC RATIOS (ARTICLE 24 OF THE STANDARDS)</b>		
<b>RATIO A (1)</b>		
Pre-tax profit/loss Season T-2 ( ) (A)		
Net Turnover Season T-2 ( ) (B)		
Percentage (A)/(B)		
		Thousands of Euros
<b>RATIO A (2) Alternative</b>		
Equity Season T-2 ( ) (A) <sup>1</sup>		
Net Turnover Season T-2 ( ) (B)		
30% of Net Turnover Season T-2 ( ) (C)		
60% of Net Turnover Season T-2 ( ) (D)		
(C)-(A) <sup>2</sup> (E)		
(D)-(A) (F)		
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 ( ) (A)	
Net Turnover Season T-2 ( ) (B)	
Coefficient applicable under Article 24.1.b) (C)	
Net Turnover Season T-2 ( ) corrected with applicable coefficient (D)=(C)x(B)	
(D)-(A) <sup>4</sup> (E)	

**AUDITOR'S REPORT\_** *[Please indicate whether it is submitted in accordance with the provisions of Article 25 of the Standards and, where appropriate, the data on the same]*

---

<sup>1</sup> The figure for eligible Equity 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.

<sup>2</sup> Ratio A (2) is met if (E) and (F) are positive and, respectively, the Club/SAD expects to participate in Season T in the First Division or Second Division A.

<sup>3</sup> Please indicate as appropriate

<sup>4</sup> Ratio B is met if (E) and (F) are positive and, respectively, the Club/SAD expects to participate in Season T in the First Division or Second Division A.

LALIGA

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



LALIGA

Standards for the Preparation of the Budgets of Clubs and SADs

**Standard Reporting Form MN 11**

Reference Article(s): 39.3.i), 39.3.j)

Description: Information on Federative Rights Option Contracts

<b>Season</b>		<b>Date</b>
<b>Club/SAD</b>		
<b>Authorised Representative</b>		
<b>Position</b>		<b>Signature</b>

**The Club/SAD states that, as of this date, it has signed the following Federative Rights Purchase/Sale Option Contracts**

CONTRACT DATE	PLAYER	OPTIONEE/OPTIONOR CLUB	PRICE OF THE FEDERATIVE RIGHTS	DEADLINE FOR EXERCISING THE RIGHT OF OPTION	INDICATION REGARDING THE MANDATORY NATURE OF EXERCISING THE RIGHT OF OPTION

A copy of the Right of Option Contracts is attached

LALIGA

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 [*S.A.D. or Club*] as of the date of this certification:

1. That, in the period between [ ] and [ ], both inclusive, the following amounts have been posted on the accounts of [*name of the S.A.D. or Club*]:

CONCEPT	€
A) From profits arising from Transactions to Transfer Federative Player Rights	
B) For losses, impairments or expenses generated in Transactions to Transfer Federative Rights or from contractual terminations of Players ( <i>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.</i> )	
C) Difference (A)-(B)	

2. That the sums referred to have been posted on the Club/SAD's accounts before 30th 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 [            ]

LALIGA

Standards for the Preparation of the Budgets of Clubs and SADs

**Standard Reporting Form MN 13**

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:

Transaction Date	Transaction/Contract Description	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.

Transaction Date	Transaction/Contract Description	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:

<b>Replacement Investment Description.</b>	
<b>Replacement Investment Justification.</b>	
<b>Estimated Amount (thousands of Euros)</b>	

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

**THE AUTHORISED REPRESENTATIVE**

Signed: Mr [ ]

LALIGA

Standards for the Preparation of the Budgets of Clubs and SADs

**Standard Reporting Form MN 14**

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 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:

<b>Contracting Party</b>		
<b>Registered Offices</b>		<b>N.I.F. (tax identification number)</b>
<b>Contract Description (purpose)</b>		
<b>New Contract</b>		
<b>Modification of a previous one</b>		

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:

	<b>Thousands of Euros</b>
--	---------------------------

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 [            ]

LALIGA

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:

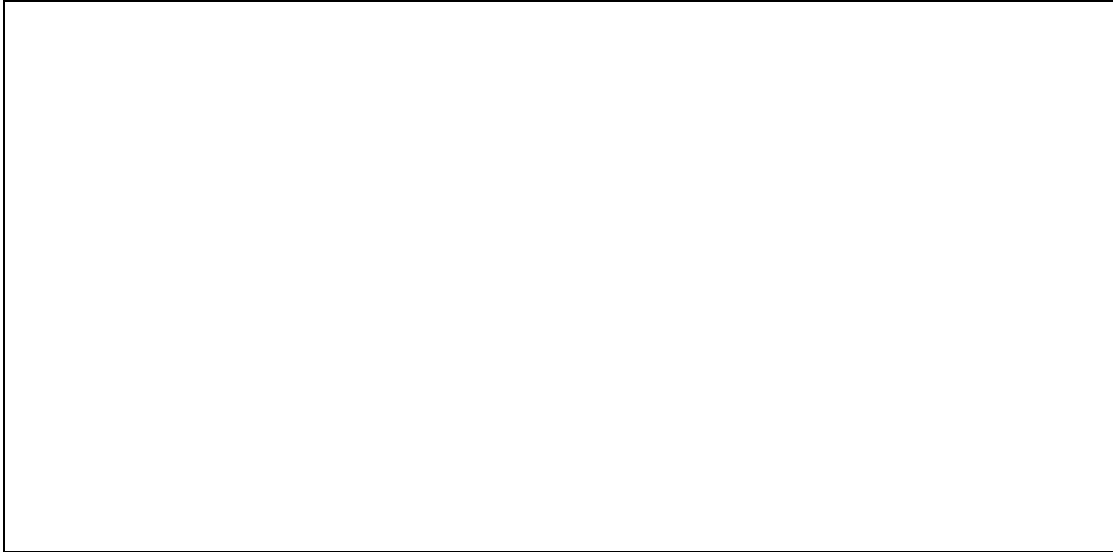
<b>Contracting Party</b>		
<b>Registered Offices</b>		<b>N.I.F. (tax identification number)</b>
<b>Contract Description (purpose)</b>		

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

	<b>Thousands of Euros</b>
--	---------------------------



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 [            ]

LALIGA

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 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:

That, in the LaLiga Revenues and Expenditure Budget for Season [ ], Revenues from Season Tickets and Memberships were budgeted totalling	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 [ ]

LALIGA

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 S.A.D. or Club*], 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> Please delete where not applicable

LALIGA

Standards for the Preparation of the Budgets of Clubs and SADs

**Standard Reporting Form MN 18**

Reference Article(s): 77

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 S.A.D. or Club*], 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 [ ]

LALIGA

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.

<b>Season</b>		<b>Date</b>
<b>Club/SAD</b>		
AUTHORISED REPRESENTATIVE		
<b>Position</b>		<b>Signature</b>

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.

<b>SITUATION INVOLVING PROFITS FROM THE TRANSFER OF FEDERATIVE PLAYER RIGHTS (ARTS. 61 TO 63 OF THE STANDARDS)</b>	
<b>Player</b>	
<b>Date of the Transfer of Federative Rights</b>	
<b>Acquirer Club/SAD</b>	
<b>Positive Results obtained</b>	
<b>Positive Results from previous Transfers of Federative Rights in the same Season</b>	
<b>Accounting Results from the Transfer of Federative Rights budgeted and validated in the LaLiga Budget for the Season</b>	
<b>Proportionality of the Registrable Squad Cost over the Total Cost</b>	
<b>Increase to the Limit on the Registrable Squad Cost (application of formula in Article 61.2 of the Standards.</b>	
<b>Accompanying documents.</b>	Certification from the Authorised Representative on performance figures (MN 13)
	Attested copy of the Contract for the Transfer of Federative Player Rights.
	Estimate of the Profit and Loss Account
	Estimate of the Cash Flow Statement
	Estimate of the Investments and Divestments Statement

<b>SITUATION INVOLVING A NEW CONTRACT THAT GENERATES POSITIVE ACCOUNTING RESULTS FROM THE SALE OF FIXED ASSETS OTHER THAN FEDERATIVE RIGHTS (ARTS. 64 AND 65)</b>	
<b>Description of the Fixed Assets to be sold</b>	
<b>Date of Sales Contract</b>	
<b>Acquirer of the Fixed Assets</b>	
<b>Positive Result obtained (A)</b>	
<b>Positive Results from previous sales of Fixed Assets in the same Season (B)</b>	
<b>Accounting Results from the Sale of Fixed Assets budgeted and validated in the LaLiga Budget for Season (C)</b>	
<b>Proportionality of the Registrable Squad Cost over the Total Cost</b>	
<b>Increase to the Limit on the Registrable Squad Cost requested (application of formula in Article 64.2 of the Standards)</b>	
<b>Replacement Investment Description</b>	
<b>Estimated Amount of the Replacement Investment</b>	
<b>Accompanying documents</b>	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

<b>SITUATION INVOLVING A CONTRACT AGREEING A PRICE INCREASE FOR THE CESSION OF TELEVISION BROADCASTING RIGHTS (ARTS. 66 AND 67)</b>	
<b>Assignee of the Television Broadcasting Rights</b>	
<b>Contract Date</b>	
<b>Amount of the Budget Item for this concept on the submitted and validated LaLiga Revenues and Expenditure Budget</b>	
<b>Increase to the Amount of Revenue generated by the new contract for this concept</b>	
<b>Proportionality of the Registrable Squad Cost over the Total Squad Cost</b>	
<b>Increase to the Limit on the Registrable Squad Cost requested</b>	
<b>Accompanying documentation</b>	Certification from the Authorised Representative on the contract data and calculations for the increase (MN 15)
	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

<b>SITUATION INVOLVING A NEW CONTRACT FOR MARKETING OTHER RIGHTS AND/OR ASSETS OWNED BY THE CLUB/SAD (ARTS. 68 AND 69 OF THE STANDARDS)</b>	
<b>Assignee of the Rights and Assets</b>	
<b>Contract Date</b>	
<b>Amount of the Budget Item for this concept on the submitted and validated LaLiga Revenues and Expenditure Budget</b>	
<b>Increase to the Amount of Revenue generated by the new contract for this concept</b>	
<b>Proportionality of the Registrable Squad Cost over the Total Squad Cost</b>	
<b>Increase to the Limit on the Registrable Squad Cost requested</b>	
<b>Accompanying documentation</b>	Certification from the Authorised Representative on the contract data and calculations for the increase (MN 16)
	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



<b>SITUATION INVOLVING AN INCREASE IN REVENUES FROM SEASON TICKETS AND MEMBERSHIPS (ARTS. 70 AND 71 OF THE STANDARDS)</b>	
<b>Amount of Revenue from Season Tickets and Memberships Budgeted on the LaLiga Revenues and Expenditure Budget</b>	
<b>Amount effectively received by the Club/SAD for the aforementioned concept in the same Season</b>	
<b>Increase over the amount budgeted for this concept for the Season</b>	
<b>Proportionality of the Registrable Squad Cost over the Total Squad Cost</b>	
<b>Increase to the Limit on the Registrable Squad Cost requested</b>	
<b>Accompanying documentation</b>	Certification from the Authorised Representative (MN 17)
	Estimate of the Profit and Loss Account
	Estimate of the Cash Flow Statement
	Estimate of the Investments and Divestments Statement

LALIGA

Standards for the Preparation of the Budgets of Clubs and SADs

**Standard Reporting Form MN 19.2**

Reference Article(s): Chapter Two, Title III

Description: Application for Temporary Excess to the Limit on the Registrable Squad Cost.

<b>Season</b>		<b>Date</b>
<b>Club/SAD</b>		
Authorised Representative		
<b>Position</b>		<b>Signature</b>

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>

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<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.

<b>EXCEPTIONAL SITUATION INVOLVING CONTRACTUAL RENEWAL AND INCREASE IN PLAYER REMUNERATION (ARTS. 73, 75 AND 76 OF THE STANDARDS)</b>	
<b>Player whose Cession of Image/Employment Contract is expanded as regards its term and remuneration.</b>	
<b>Date of the new Image/Employment Contract</b>	
<b>Final date of the Term of the Image/Employment Contract before the contractual renewal.</b>	
<b>Final date of the Term of the Image/Employment Contract after the contractual renewal.</b>	
<b>(A) Individual Player Cost included on the submitted and validated LaLiga Revenues and Expenditure Budget.</b>	
<b>(B) Individual Player Cost after the contractual renewal</b>	
<b>(C) Increase in the Individual Player Cost (B)-(A)</b>	
<b>(D) 75% of the Increase in the Individual Cost (C)*0.75</b>	
<b>Justification of the significant increase in the Value of the Federative Rights of the Player as of the date of this application.</b>	
<b>Justification of the need, from a sporting and/or financial point of view, to agree on the Player's contractual renewal</b>	
<b>(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)</b>	
<b>Increase to the Limit on the Registrable Squad Cost requested (D)-(E)</b>	
<b>Accompanying documentation</b>	Certificate from the Secretary MN 18

<b>EXCEPTIONAL SITUATION INVOLVING THE TERMINATION OF COACHING STAFF CONTRACTS (ART. 74 OF THE STANDARDS)</b>	
<b>Identification of the members of the Coaching Staff whose image/employment contracts are terminated, indicating their respective positions</b>	
<b>Trainer</b>	<b>Position</b>
<b>(A) Cost of the Coaching Staff whose contracts are terminated included on the LaLiga Revenues and Expenditure Budget</b>	
<b>(B) Cost of the Coaching Staff whose contracts are terminated, including additional pecuniary obligations borne by the Club/SAD arising from such termination.</b>	
<b>(C) Increased cost of the new members of the Coaching Staff replacing the previous members.</b>	
<b>(D) Increase in the Cost of the Coaching Staff (B)+(C)-(A)</b>	
<b>(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)</b>	
<b>Increase to the Limit on the Registrable Squad Cost requested (D)-(E)</b>	
<b>Accompanying documentation</b>	Certificate from the Secretary MN 18

<b>SITUATION INVOLVING THE EXTENDED INJURY OF A PLAYER (ARTS. 78 OF THE STANDARDS)</b>	
<b>Player who has suffered an extended injury.</b>	
<b>Date on which the injury occurred.</b>	
<b>Expected duration of incapacity due to the injury (in months).</b>	
<b>Date on which the Player's LaLiga registration is cancelled.</b>	
<b>(A) Individual Cost of the injured Player included on the submitted and validated LaLiga Revenues and Expenditure Budget.</b>	
<b>(B) Accumulated amortisation of their Federative Rights as of the date of the injury.</b>	
<b>(C) Individual Cost of the injured Player without amortisation (A)-(B)</b>	
<b>(D) 80% Individual Cost of the injured Player without amortisation (C)*0.8</b>	
<b>(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 %)</b>	
<b>Increase to the Limit on the Registrable Squad Cost requested (D)*(E)/100</b>	
<b>Accompanying documentation</b>	Medical Certificate confirming the Injury and its duration
	Insurance policy
	Certification from the Secretary on acceptance of the reduction to the Limit on the Squad Cost for Season T+1 (MN 19)

LALIGA

Standards for the Preparation of the Budgets of Clubs and SADs

**Standard Reporting Form MN 20**

Reference Article(s): 90

Description: Half-yearly reports by Clubs/SADs authorised to Increase the Limit on Squad Costs due to 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:

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<sup>1</sup> Please delete where not applicable

<sup>2</sup> Please tick the appropriate option

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 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	

LALIGA

Standards for the Preparation of the Budgets of Clubs and SADs

**Standard Reporting Form MN 21**

Reference Article(s): 91 and following

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		



<b>In the case of Cash Contributions, date of entry in the Club/SAD's accounts</b>	
<b>Date of posting on the Club/SAD's Financial Statements and accounting records</b>	
<b>Group in which the Club/SAD is included in accordance with the provisions of Article 85 of the Standards</b>	
<b>Certificate of increase in the Club/SAD's Share Capital (if any), execution and disbursement.</b>	<b>Date</b>
	<b>Notary</b>
	<b>Location</b>
	<b>Protocol Number</b>
	<b>Date of Registration in the Companies Register</b>
<b>Offset or Contribution of Claims. Summary description of contributed or offset claims</b>	
<b>Debt write-off. Summary description of debts written off.</b>	
<b>Documentation accompanying this application (as applicable)</b>	<b>Copy of the share capital increase Public Deed</b>
	<b>Justification of registration in the Companies Register of the capital increase public deed</b>
	<b>Copy of documentation on Contribution through unconditional donation</b>
	<b>Copy of documentation on Contribution through debt write-off.</b>
	<b>Justification of cash contribution entry in accounts</b>
	<b>Certification from the Authorised Representative on the Posting of the Contribution in accounting.</b>

LALIGA

Standards for the Preparation of the Budgets of Clubs and SADs

### Standard Reporting Form MN 22

Reference Article(s): 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 IN THE SQUAD COST EXPECTED BY THE CLUB/SAD TO BE COMPLIED WITH		
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.)	

<b>SITUATION INVOLVING PROFITS FROM THE TRANSFER OF FEDERATIVE PLAYER RIGHTS (ARTS. 61 TO 63 OF THE STANDARDS)</b>	
<b>Player.</b>	
<b>Expected date of the Transfer of Federative Rights.</b>	
<b>Acquirer Club/SAD.</b>	
<b>Positive Results expected to be obtained.</b>	
<b>Positive Results from previous Transfers of Federative Rights in the same Season.</b>	
<b>Accounting Results from the Transfer of Federative Rights budgeted and validated in the LaLiga Budget for the Season.</b>	
<b>Proportionality of the Registrable Squad Cost over the Total Cost.</b>	
<b>Increase to the Limit on the Registrable Squad Cost (application of formula in Article 61.2 of the Standards.</b>	
<b>Explanation/justification of the reasonableness and predictability of compliance with the Situation involving an Increase.</b>	
<b>Accompanying documents.</b>	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 THAT GENERATES POSITIVE ACCOUNTING RESULTS FROM THE SALE OF FIXED ASSETS OTHER 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 Investment (MN 14)
	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 AND/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 Statement
	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	





<b>LALIGA</b>  <b>Economic Control</b>  <b>Standards for the Preparation of LaLiga Budgets</b>  <b>Standard Reporting Form MN 24 Art. 94. Standards</b>  <b>Actual Registrable Squad Cost T-1 (overall)</b>	<b>Club/SAD</b>	
	<b>Season</b>	
	<b>Date of Submission</b>	
	<b>Amounts in thousands of Euros</b>	

OVERALL REGISTRABLE SQUAD COST	Employment Contract		Compensation Companies Holding Image Rights			Other Remuneration	SS. borne by Company	Amortisation	Expenses for cessions / Revenue from cessions	Player acquisition expenses	Federative Rights acquisition transaction expenses	Registrable Squad Cost, without Collective Bonuses for the Season	Net Book Value 30/06/T-1
	F	V	F	V	%								
	Remuneration	Remuneration			Var.								
			-	-	-	-			-	-			

LALIGA

Standards for the Preparation of the Budgets of Clubs and SADs

### Standard Reporting Form MN 101

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
<b>Justification of the Increase provided on the submitted LaLiga Revenues and Expenditure Budget</b>	

<b><i>Justification of the Increase provided on the submitted LaLiga Revenues and Expenditure Budget (cont.)</i></b>
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<b>RULE 2.B. ITEM 1.2. DIFFERENT SEASON TICKET SALES ALTERNATIVES ACCORDING TO THE COMPETITIONS</b>
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<b>Revenue forecast for each alternative</b>
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LALIGA

Standards for the Preparation of the Budgets of Clubs and SADs

### Standard Reporting Form MN 101

Items/Sub-Items on the LaLiga Revenues and Expenditure Budget 1.3.3./1.4.2/1.4.3./1.5.

Description: Certification from the Authorised Representative on Revenue: Cession of additional Audiovisual Rights/Marketing of other rights/Sponsorship and similar/Publicity.

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 provided in the Items stated 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 1:

SEASON	CLUB/SAD	
BUDGET ITEM	CONCEPT	THOUSANDS OF EUROS
1.3.3.	<b>Other revenue from rights to exploit audiovisual content not included in Sub-Items 1.3.1 and 1.3.2.</b>	
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:		

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<sup>1</sup> Please use the appropriate box or boxes according to the Items on the LaLiga Budget

THAT THE AFOREMENTIONED REVENUES ARISE FROM AND ARE BASED ON THE AGREEMENTS IN THE FOLLOWING FIRM SIGNED CONTRACT(S)	
Contract Date:	
<b>Contracting Party Identification</b>	
Name/Designation	
Registered Offices	
Tax Identification Number	
<b>Summary Description of the Contract's Purpose</b>	

<b>SEASON</b>	<b>CLUB/SAD</b>	
<b>BUDGET ITEM</b>	<b>CONCEPT</b>	<b>THOUSANDS OF EUROS</b>
1.4.2.	<b>Revenue from Sponsorship Contracts and similar.</b>	
<p>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:</p>		
<p>THAT THE AFOREMENTIONED REVENUES ARISE FROM AND ARE BASED ON THE AGREEMENTS IN THE FOLLOWING FIRM SIGNED CONTRACT(S)</p>		
Contract Date:		
<b>Contracting Party Identification</b>		
Name/Designation		
Registered Offices		
Tax Identification Number		
<b>Summary Description of the Contract's Purpose</b>		

<b>SEASON</b>	<b>CLUB/SAD</b>	
<b>BUDGET ITEM</b>	<b>CONCEPT</b>	<b>THOUSANDS OF EUROS</b>
1.4.3.	<b>Revenue from marketing other rights not included in Sub-Items 1.4.1 and 1.4.2.</b>	
<p>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:</p>		
<p>THAT THE AFOREMENTIONED REVENUES ARISE FROM AND ARE BASED ON THE AGREEMENTS IN THE FOLLOWING FIRM SIGNED CONTRACT(S)</p>		
Contract Date:		
<b>Contracting Party Identification</b>		
Name/Designation		
Registered Offices		
Tax Identification Number		
<b>Summary Description of the Contract's Purpose</b>		



<b>SEASON</b>	<b>CLUB/SAD</b>	
<b>BUDGET ITEM</b>	<b>CONCEPT</b>	<b>THOUSANDS OF EUROS</b>
1.5.	<b>Revenue from advertising exploited directly by the Club/SAD or through the transfer to third parties.</b> <b>Sum of Sub-Items 1.5.1, 1.5.2. and 1.5.3.</b>	
<p>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:</p>		
<p>THAT THE AFOREMENTIONED REVENUES ARISE FROM AND ARE BASED ON THE AGREEMENTS IN THE FOLLOWING FIRM SIGNED CONTRACT(S)</p>		
Contract Date:		
<b>Contracting Party Identification</b>		
Name/Designation		
Registered Offices		
Tax Identification Number		
<b>Summary Description of the Contract's Purpose</b>		

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

**THE AUTHORISED REPRESENTATIVE**

---

Signed: Mr [            ]

LALIGA

Standards for the Preparation of the Budgets of Clubs and SADs

**Standard Reporting Form MN 103**

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:

<b>SEASON</b>	<b>CLUB/SAD</b>	
<b>BUDGET ITEM</b>	<b>CONCEPT</b>	<b>THOUSANDS OF EUROS</b>
1.6.2.	<b>Operating Subsidies and Other</b>	
<p>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:</p>		
<p>THAT THE AFOREMENTIONED REVENUES ARISE FROM AND ARE BASED ON THE AGREEMENTS IN THE FOLLOWING FIRM APPROVED OR SIGNED CONTRACT(S) AND AGREEMENT(S)</p>		
Agreement/Contract Date:		
<b>Identification of the Contracting Party/Entity granting the subsidy</b>		
Name/Designation		
Registered Offices		
Tax Identification Number		
<b>Summary Description of the Subsidy/Contract Purpose and its terms and conditions</b>		

[please indicate as appropriate]	
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 [                      ]

LALIGA

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

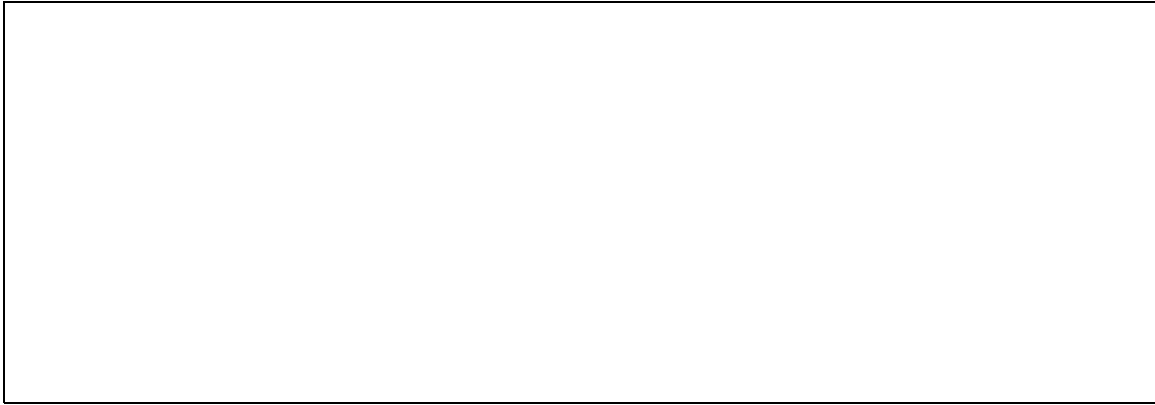
Description: Certification from the Authorised Representative on Work performed for the entity.

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 other. 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 [            ]

LALIGA

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.

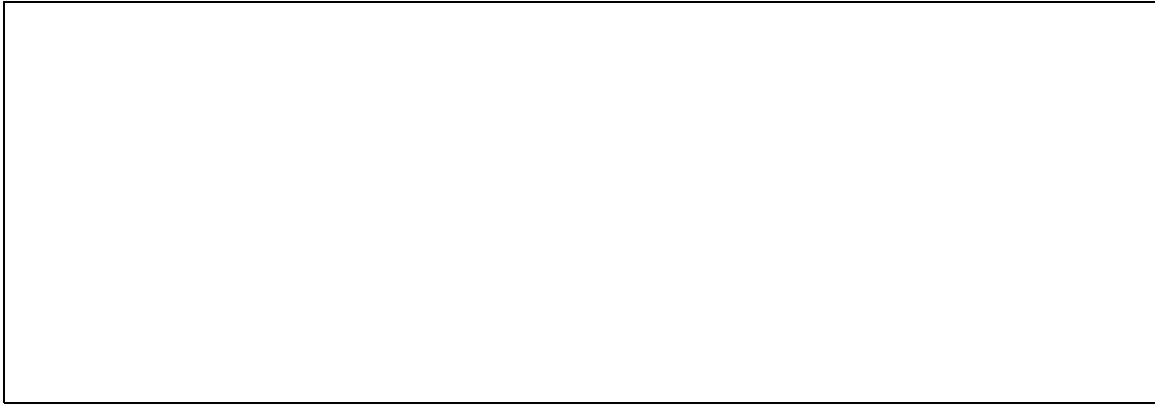
Mr [ ], Authorised Representative of [*name of the S.A.D. or Club*], with registered offices at [ ] and C.I.F. (Spanish tax identification number) [ ]

**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	<b>Purchases of products to be sold in the Club/SAD's official shops</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 ASSUMPTIONS:		





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

**THE AUTHORISED REPRESENTATIVE**

\_\_\_\_\_  
Signed: Mr [            ]

LALIGA

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.

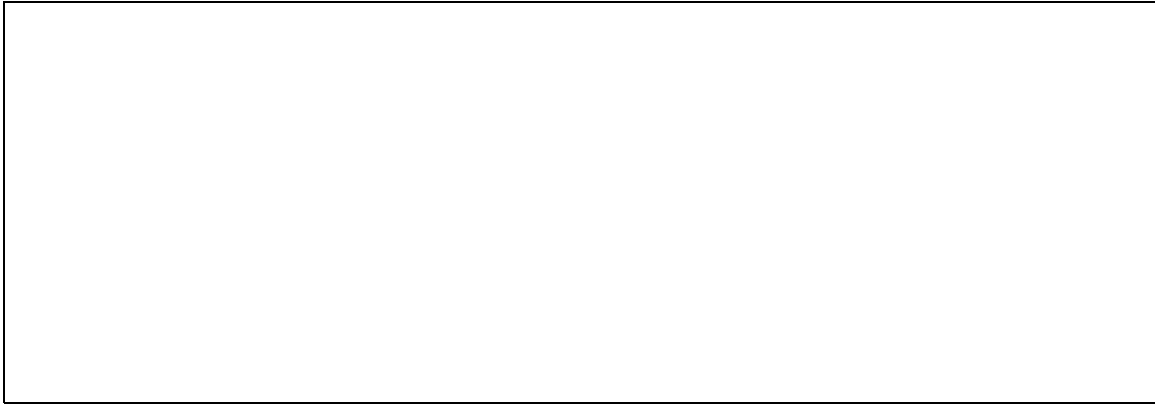
Description: Certification from the Authorised Representative on the justification of the amortisation of Tangible Fixed Assets consisting of Sports Facilities

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 [            ]

LALIGA

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:

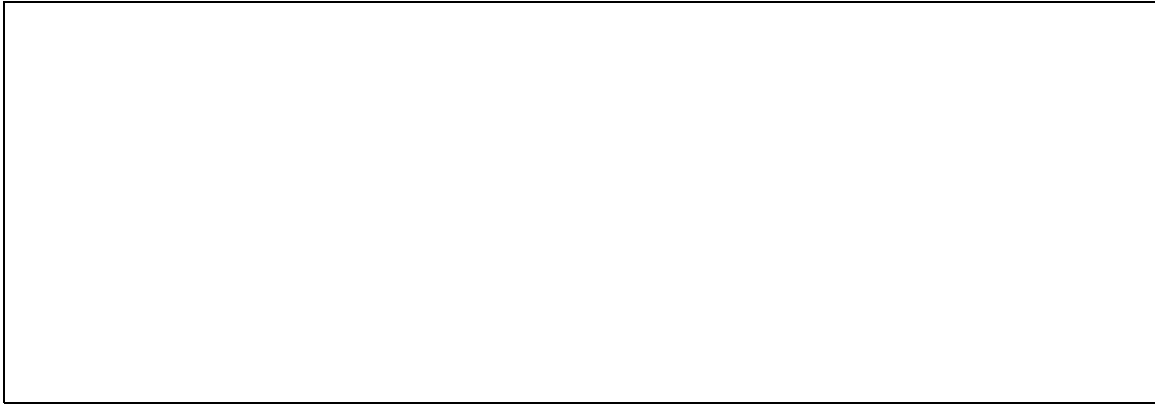
9.1/9.3/9.4./10 Description: Certification from the Authorised Representative on the Profits/Losses generated to 31st January Season T-1

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 31st January Season (T-1), the Profits/Losses set out below have been obtained:

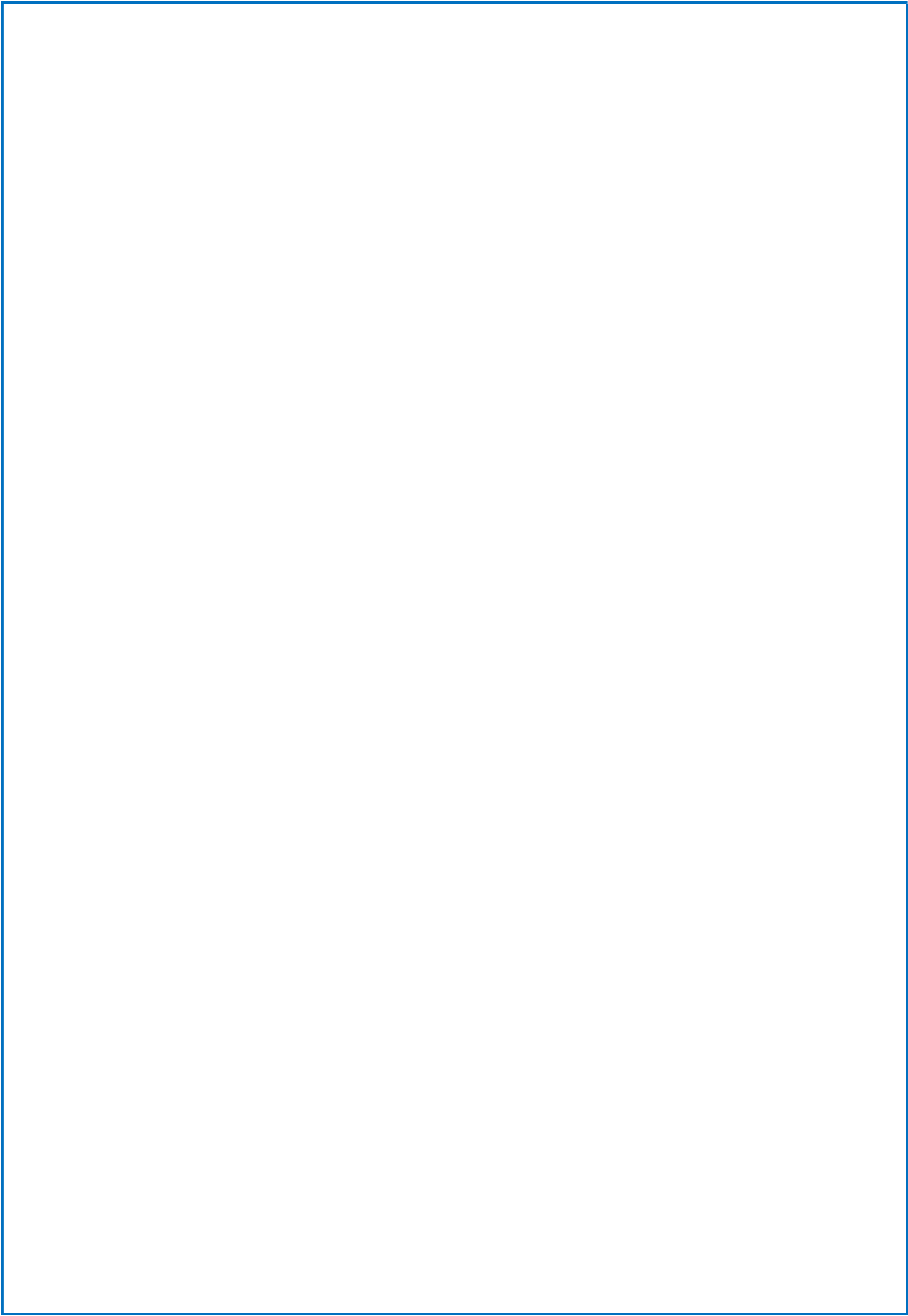
BUDGET ITEM	CONCEPT	THOUSANDS OF EUROS PROFITS (LOSSES)
9.1	<b>Profits/Losses from the Transfer of Federative Player Rights.</b>	
9.3	<b>Proceeds from fixed assets and one-off revenues.</b>	
9.4	<b>Losses from fixed assets and one-off expenses.</b>	
10	<b>Other Profits (Losses)</b>	
THAT THE PROFITS/LOSSES 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 [            ]





**LALIGA ECONOMIC  
CONTROL DEPARTMENT**