

TRANSPARENCY INTERNATIONAL UK RESPONSE TO INDEPENDENT FOOTBALL REGULATOR CONSULTATION ON OWNERS, DIRECTORS AND SENIOR EXECUTIVES REGIME

We welcome the publication of this consultation. It represents an opportunity to safeguard football from illicit finance and the risks this brings to the game as well as the UK as a whole.

The UK is a destination for those seeking to invest the proceeds of crime from around the world, with the NCA estimating more than £100 billion is laundered through the UK each year.¹ The most recent National Money Laundering Risk Assessment for the UK highlighted both the range of illicit finance risks faced by football as well as an “intelligence gap” relating to the exact scale and nature of dirty money within the football pyramid.²

The Independent Football Regulator (IFR) now has an opportunity to address this challenge head on, integrating itself into the UK’s broader architecture to tackle economic crime. Key to this is the gatekeeper function the IFR will play in protecting football clubs from unsuitable persons becoming associated with them.

In this response we will outline key criteria which should be considered when assessing the suitability of Owners, Directors and Senior Executives at football clubs, as well as their source of wealth. This includes:

- ensuring those who own and control football clubs are correctly identified
- gaining a full understanding of the risks posed by Owners, Directors, Senior Executives and their associates
- assessing both the source of funds as well as the source of wealth for the purchase and running of a football club

Failing to assess ownership and control of football clubs effectively risks criminals and dirty money gaining access to these cultural institutions and putting them as well as the broader football ecosystem at risk.

KEY RECOMMENDATIONS

- **Ensure that all individuals who may exert significant influence or control are identified and assessed**
- **Broaden honesty, integrity and source of wealth checks to gain a full understanding of the risks related to prospective owners and directors**
- **Assess both source of wealth of owners as well as the source of funds for the purchase of clubs**

¹ <http://www.nationalcrimeagency.gov.uk/news/nca-and-fca-publish-priorities-to-combat-biggest-economic-crime-threats>

² <https://www.gov.uk/government/publications/national-risk-assessment-of-money-laundering-and-terrorist-financing-2025>

Definition of an owner

Parties to trusts

Currently the Football Governance Act 2025 only specify trustees as meeting the definition of an owner, however this misses other key figures, such as beneficiaries and settlors. In doing so, it omits those who may have provided the funds to acquire ownership and/or those who benefit from ownership of a club. Al Jazeera's undercover investigation into football ownership highlighted the use of trusts as a potential vehicle to conceal ownership, therefore efforts should be made to identify all relevant parties to these arrangements.³

The global anti-money laundering standards body, the Financial Action Task Force (FATF), recommends that the definition of beneficial owner for legal arrangements extends to include all parties to trusts.⁴ This includes settlor(s); trustee(s); protector(s) (if any); each beneficiary, or where applicable, the class(es) of beneficiaries and objects of a power; and any other natural person(s) exercising ultimate effective control over the arrangement. Failing to adopt a similar definition in law provides a blind spot for the IFR as a regulator, and an obvious means for questionable owners to avoid scrutiny.

We recommend the IFR calls for the UK Government legislate and align the definition of owners in the Football Governance Act 2025 with FATF's definition of beneficial owners for trusts.

Complex Ownership

Research shows Football Clubs are often owned via complex structures which ultimately lead to secrecy jurisdictions where ownership information is not public.⁵ Al Jazeera's investigation into football ownership identified how professional enablers can structure ownership to avoid shareholding thresholds and conceal true club buyers using investment funds.⁶

The IFR should take a broad view on who may be an owner when assessing their suitability, taking care to identify as many natural persons associated with complex ownership structures as possible to determine any person that may exert influence or control.

Assessing honesty and integrity

Assess adverse media

³ <https://www.aljazeera.com/news/2021/8/9/investigation-reveals-football-used-to-laundry-money-men-who-sell-football>

⁴ <https://www.fatf-gafi.org/content/dam/fatf-gafi/recommendations/Guidance-Beneficial-Ownership-Transparency-Legal-Arrangements.pdf.coredownload.inline.pdf>

⁵ Duncan, P., & Lord, N. (2024). Fit and proper? Analyzing the potential for illicit activity through English Premier League club ownership structures. *Sport in Society*, 1–21. <https://doi.org/10.1080/17430437.2024.2424563>

⁶ <https://www.ajiunit.com/article/how-a-convicted-criminal-can-buy-a-famous-english-football-club/>

Whilst convictions for serious crimes and sanctions designations are important criteria to consider, the IFR should go beyond these when determining suitability and source of wealth. Often high-end financial crime goes undetected for years, is invariably difficult to prosecute. Relying on such a high bar risks missing lower-level indications of impropriety, including civil proceedings, which are relevant to assessing the suitability of those owning or running clubs.

Journalists play a crucial role in uncovering and reporting on misconduct by individuals and organisations, particularly regarding behaviour that does not reach the criminal courts. Their public interest reporting plays a critical role in enabling those subject to anti-money laundering rules to comply with 'know your customer' obligations, and alert authorities to potential criminal conduct. **The IFR should consider adverse media by reputable outlets when assessing the integrity and source of funds/wealth for Owners, Directors & Senior Executives, as is the case in private sector for those subject to anti-money laundering rules.**

Identify kleptocrats as possible owners

As currently drafted the guidance would also be unsuitable for assessing the integrity of a 'kleptocrat' who may be benefiting from power and wealth derived from state capture. Their conduct can amount to legalised corruption, which is not likely to trigger any of the criteria in the IFR's guidance. To address similar risks in the private sector, the money laundering regulations require firms to conduct enhanced due diligence on Politically Exposed Persons (PEPs) - those holding senior public positions. This includes considering context specific risks, such as the client's jurisdiction of origin and/or operation. While this solution is far from perfect, it would go some ways to addressing issues with the IFR's proposed approach.

We recommend the IFR should conduct enhanced due diligence on Owners, Directors & Senior Executives where:

- **they are a Politically Exposed Person (PEP) or are an associate of a PEP**
- **their source of wealth derives from business in high corruption risk jurisdictions**

Across the economic crime space, there is growing recognition that information sharing is crucial to more effective regulation. The Joint Money Laundering Intelligence Taskforce (JMLIT), a public private partnership tackling a range of crimes, is now a decade old with a track record of impact.⁷ Similarly, the UK's anti-money laundering regulations include information sharing provisions to allow supervisors to share material with relevant authorities, including law enforcement, Companies House and other regulators.⁸ We think it is likely the IFR will need assistance from other authorities when making assessments about the suitability of some prospective club owners.

⁷ <https://www.nationalcrimeagency.gov.uk/news/10-year-anniversary-of-the-uks-public-private-partnerships>

⁸ <https://www.legislation.gov.uk/uksi/2017/692/regulation/52>

We recommend the IFR uses its information sharing powers to send and also request where needed information and assistance from other authorities to inform its assessment of Owners, Directors & Senior Executives.

Assessment of broader business interests

The IFR should consider the business interests and activities of prospective owners when assessing their integrity. Influence or control over a company involved in wrongdoing is a serious red flag and should be considered as a disqualifying factor. Similar tests are applied by the Financial Conduct Authority's (FCA) fit and proper test for example, which assesses whether a:

"...person has been the subject of any adverse finding or any settlement in civil proceedings, particularly in connection with investment or other financial business, misconduct, fraud or the formation or management of a body corporate..."

or whether a:

"...person has been involved with a company, partnership or other organisation that has been refused registration, authorisation, membership or a licence to carry out a trade, business or profession, or has had that registration, authorisation, membership or licence revoked, withdrawn or terminated, or has been expelled by a regulatory or government body..."⁹

We recommend the IFR should align its assessment criteria more closely with the FCA's fit and proper test.

Assessment of family, business associates and close contacts

Currently, the IFR's assessment does not consider the conduct and context of family, business associates and close contacts of prospective owners and directors. While unsavoury associations do not mean that an applicant is unsuitable, they are and should be a factor in the overall assessment – particularly if there is any evidence of collusion, knowledge, or shared benefit from access to the football club. Owners may be put forward as a "clean name" on behalf of family members or business associates involved in serious crime or wrongdoing.

⁹<https://handbook.fca.org.uk/handbook/fit2>
FIT 2.1.307/12/2020G

Specifically, **we recommend the IFR should consider whether an owner or director has been or is currently associated with any other person, such as a business associate or family member, who is or was involved in criminal conduct or other activities that might cast doubt on the individual's own integrity or reputation.** The assessment should be context-dependent and consider the extent and nature of the relationship, as well as any knowledge or involvement in questionable conduct.

Assessing both source of wealth of owners as well as the source of funds

Rightly, the IFR will assess owners' *source of wealth* to ensure illicit wealth is not invested in English football clubs. These checks should consider all the factors list above.

Additionally, there is a need to assess the *source of funds* used to acquire football clubs. Whilst funds will often come directly from the owner, under some circumstances they may originate from the pooled wealth of several parties. The 2025 national money laundering risk assessment highlighted risks posed by collective investment funds, private equity and venture capital, all of which are used to invest in football clubs.¹⁰

We recommend the IFR should make a full assessment on the source of funds used to buy football clubs to ensure dirty money does not enter the football pyramid.

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¹⁰ Paras 5.33,5.43