

THE AC MILAN - UEFA FINANCIAL FAIR PLAY CASE: A DETAILED EXAMINATION

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ABSTRACT: AC Milan, winners of 18 FIFA and UEFA trophies and 18 scudetti, is one of the most recognisable brands in world football. Despite their notoriety the rossoneri are not immune from the financial problems that have plagued the football world nor are they exempt from the reach and applicability of the new regime governing club football known as Financial Fair Play (FFP). During the UEFA Europa League licensing process leading into the 2018/2019 season the Investigatory Chamber of the UEFA Club Financial Control Body (CFCB) opened proceedings against the Italian giants looking into, inter alia, potential violations of the break-even requirement further to the UEFA FFP Regulations. At the moment of publication of this article the ultimate resolution of this dispute is still pending. For the moment, however, the AC Milan case presents legal commentators with some interesting issues. At the outset, we have a public decision that details the financial aspects in relation to the break-even point as well as an explanation of a complicated transaction that resulted in the change of ownership of a football club. Although the CAS award is not completely focused on the financial details, the authors explain the substantive aspects of the UEFA FFP violations in the AC Milan case. Moreover, the case raises many procedural considerations, such as the ability of the CAS to review a discretionary decision to enter into voluntary settlements, which will be explained. In addition, the authors note that the private nature of FFP decisions and settlements make it particularly difficult for practitioners to receive any type of judicial guidance in the interpretation and application of the FFP regulations. This feature of the system will be explained within the context of the licensing process. Finally, the complicated nature of the financial fair play licensing process presents UEFA with some difficulties in ensuring the integrity of competitions. Here, the authors will examine and explain the CAS decision and discuss some of the ramifications that it will have to the UEFA financial fair play regime.

Keywords: UEFA Financial Fair Play; Proportionality; Scope of Review; Integrity.

SUMMARY: 1. The merits of the appeal: the two-year sanction is disproportionate – 1.1 Change in ownership, reporting perimeter and capital injection – 1.2 Income projections and the valuation of future cash flow – 1.3 AC Milan operating on a going concern – 1.4 The scope of review – 1.5 Conclusions regarding the substantive merits of the appeal – 2. Settlements, privacy, proportionality amid the MCFC and PSG Cases – 3 Integrity of competitions – 4 Conclusion

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