



EuroLeague Financial Stability and Fair Play Regulations

EUROLEAGUE FINANCIAL STABILITY AND FAIR PLAY REGULATIONS

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CHAPTER I FINANCIAL CRITERIA AND DOCUMENTATION

Article 1 **Object**

The object of these regulations is the following:

- a) Ensure good financial practice in the Euroleague Basketball competitions.
- b) Guarantee the transparency and credibility in the finances of the participating clubs.
- c) Ensure the financial stability of the clubs and the Euroleague Basketball competitions through a balanced budget and a consolidated equity, protecting the long-term viability and sustainability of the Euroleague Basketball competitions.
- d) Guarantee the fulfilment of the economic commitments adopted by the clubs.
- e) Establish player-allocated spending levels based on clubs' collective revenue generation to promote sustainability and competitive balance.
- f) Define the role and tasks of the Management Control Commission (hereinafter "MCC") and the external auditing firm, the minimum procedures to be followed in their assessment of the requirements that the clubs must meet, and the financial responsibilities of the clubs in relation to the Euroleague Basketball competitions.

Article 2 **Financial criteria**

Each club (understood as club holding a licence and/or club applying for a licence in accordance with the EuroLeague Bylaws) will have to comply with the following criteria:

- a) Not having any overdue payables with former or registered players, coaches and/or employees for more than 45 days, any other club participating in the Euroleague Basketball competitions, Euroleague Commercial Assets (hereinafter “ECA”), Euroleague Properties S.A. (hereinafter “EP”) and/or the company designated by EP to manage the Euroleague Basketball competitions (hereinafter the “Company”) or any of their respective successors, licensees or assignees (jointly referred to as “Companies”), (either directly by the club or indirectly by any other companies in which the club, its owners, managers or any person(s) acting for the club participate), and/or any tax or social authorities. In case of training agreements, the aforementioned deadline will be reduced to 20 days.
- b) Not having been formally declared bankrupt or insolvent by a competent body in its home country, not having entered into liquidation or dissolution or any similar proceeding affecting the ordinary course of its activity, or not being in a situation in which it is obliged under law to file an insolvency proceeding or be entered into liquidation or dissolution, winding up or any similar proceeding in its jurisdiction. In the event that a club has undergone any of the aforementioned situations prior to participating in the Euroleague Basketball competitions, a period of one year after having exited that situation must have passed prior to applying for a licence to participate. The club will provide the corresponding certificate from the competent official body.
- c) Not presenting an aggregate deficit from the three immediately previous seasons (T-1, T-2 and T-3) that exceeds 10% of the club’s budget average from those same seasons (T-1, T-2 and T-3). Depreciations, write-offs, investments in the club’s facilities, and expenses related to the youth programmes will not be taken into account for the deficit calculation.
- d) Presenting a positive equity by the 2025-26 season.
- e) Complying with the Competitive Balance Standards defined by the Company.
- f) Having a financial year from 1 July to 30 June in order to be analysed and compared in terms of annual accounts coinciding with the official basketball season.

Article 3 **Submission of the clubs' financial accounts and documents**

Each club will submit the documents stated in this article within the respective dates in the platforms and templates established by the Company.

3.1 The following information on the requirements for the registration of clubs for the T season will be provided **no later than 15 June** (T-1 season):

- a) Legal structure of the club
 - i. Name and legal form of the club, including a copy of the updated extract from the trade or association register, and, if appropriate, structure of the group of which it forms part (any subsidiary, associated company and controlling entity up to the ultimate parent company and ultimate controlling party).
 - ii. Articles of association / bylaws of the club.
 - iii. Share capital.
 - iv. Updated list of shareholders and participation percentage.
 - v. List of authorised signatories and type of required signature (e.g. individual, collective).
- b) Express declaration of sound legal position according to Appendix V to the EuroLeague Club Licensing Rules.
- c) Express declaration of sound financial position according to Appendix IV to the EuroLeague Club Licensing Rules.

In case of overdue payables, the club must submit to the Company and the MCC the necessary information stating the reason for the payables, their amount and their creditors, and must also provide a deadline by which the payables will be paid.

3.2 The **audited annual financial statements (T-1 season)** according to the period from 1 July to 30 June for each reporting period will be submitted no later than **20 December (T season)**.

3.2.1 The audited annual financial statements must consist of at least the following:

- a) Balance sheet according to Exhibit A.
- b) Profit and loss account according to Exhibit B.

- c) Notes, comprising a summary of significant accounting policies and other explanatory notes according to Exhibit A and Exhibit B.
- d) Auditor's report in English with an opinion on the presented annual financial statements.
- e) Express declarations according to Schedule 1 and Schedule 3 to these regulations.

3.2.2 The clubs that did not participate in the Euroleague Basketball competitions in the T-1 season must submit the audited annual financial statements for the two preceding seasons (T-2 and T-3) no later than 15 June.

3.2.3 The annual financial statements must be audited by an independent auditor:

- a) The auditor must be independent in compliance with the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants.
- b) The auditor must be a member of one of the relevant IFAC member bodies. If there is no member of the IFAC within a club's territory, the club is required to use an independent auditor who is permitted by national law to carry out audit work.
- c) The auditor's report must include a statement confirming that the audit was conducted in accordance with the International Standards on Auditing or relevant national auditing standards or practices where these comply with, at least, the requirements of the International Standards on Auditing.

3.2.4 In case of multi-sports clubs or consolidated groups, besides the audited annual accounts of the whole entity/group, the audited annual financial statements according to this Article 3.2 must be provided only for the basketball department/single entity.

3.3 The **budgeted financial statements** of the club in accordance with the criteria established in these regulations as well as in Exhibit A and Exhibit B hereto must be provided as follows:

- a) No later than 15 June (T-1 season):
 - The club must present the following information before the season for which it is applying for a licence (T season):

- i. Closing Forecast dated 30 June of the annual financial statements of the T-1 season.
- ii. Budgeted profit and loss account of the T season.

b) No later than 30 September (T season):

- Update of the budgeted profit and loss account. This update will highlight any changes that can affect their current season budgeted profit and loss account, which was submitted no later than 15 June.

c) No later than 31 January (T season):

- Update of the budgeted profit and loss account. This update will highlight any changes that can affect their current season budgeted profit and loss account, which was submitted no later than 30 September.

3.4 The Declaration of Quarterly Remuneration Payment as per Schedule 2 must be provided on 15 October, 15 January, 15 April and 15 July.

In case of **overdue payables**, the club must submit to the Company and the MCC the necessary information stating the reason for the payables, their amount and their creditors, and must also provide a deadline by which the payables will be paid.

Article 4 Basis for the preparation of financial statements

4.1 The financial statements as defined in Article 3.2 must be based on the accounting standards required by local legislation for incorporated companies – either the applicable financial reporting framework of the relevant country, the International Financial Reporting Standards or the International Financial Reporting Standard for Small and Medium-sized Entities – regardless of the legal structure of the club. The financial statements must be approved by the management, and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the reporting entity.

4.2 All documents provided by the club will be in English and all financial amounts will be in euros. If the original financial statements are expressed in a currency other than euros, all the amounts must be converted into euros. The exchange rate used must be the following:

- For audited annual financial statements for the T-1 season: the average of the reporting period (1 July to 30 June of the T-1 season).

- For budgeted financial statements for the T season, the average of the 6-month period (1 September to 28 February of the T-1 season).

4.3 Clubs are required to present their financial statements in a manner that fully reflects the scope of their operations, in accordance with the following requirements for the consolidation or combination of the financial information:

- a) The financial information of all entities included in the reporting perimeter must be either consolidated or combined as if they were a single company.
- b) Consolidated financial statements are the financial statements of a group in which the assets, liabilities, equity, revenues, expenses and cash flows of the parent and its subsidiaries are presented as those of a single company.
- c) Combined financial statements are those that include information about two or more commonly controlled entities without information about the controlling entity.

4.4 Clubs must adhere to the following accounting requirements for player registrations, ensuring that all transactions and related financial information are accurately reflected in the financial statements:

- a) Notwithstanding that each club has to prepare audited annual financial statements under its own national accounting practice for incorporated companies, the International Financial Reporting Standards or the International Financial Reporting Standard for Small and Medium-sized Entities, these regulations include specific accounting requirements for player registrations carried as intangible fixed assets.
- b) Clubs that capitalise the costs of acquiring a player's registration must apply certain minimum accounting requirements as described in paragraph d).
- c) If a club has an accounting policy to expense the costs of acquiring a player's registration rather than capitalising them, and this is permitted under its national accounting practice, there is no obligation for this club to apply the minimum accounting requirements set out below and it does not have to prepare restated figures. In this case, the total amount would be considered as an expense of the relevant season.
- d) The minimum accounting requirements for clubs that capitalise the costs of acquiring a player's registration are as follows:

- i. In respect of each individual player's registration, the depreciable amount must be allocated on a systematic basis over its useful life. This is achieved by the systematic allocation of the cost of the asset as an expense over the period of the player's contract.
- ii. Only direct costs of acquiring a player's registration can be capitalised. For accounting purposes, the carrying value of an individual player must not be revalued upwards, even though management may believe market value is higher than carrying value. In addition, whilst it is acknowledged that a club may be able to generate some value from the use and/or transfer of locally trained players, for accounting purposes costs relating to a club's own youth section must not be included in the balance sheet – as only the cost of players purchased is to be capitalised.
- iii. Amortisation must begin when the player's registration is acquired. Amortisation ceases when the asset is classified as held for sale or when the asset is derecognised (i.e. the registration is transferred to another club), whichever comes first.
- iv. All capitalised player values must be reviewed individually for impairment by management each season. If the recoverable amount for an individual player is lower than the carrying amount on the balance sheet, the carrying amount must be adjusted to the recoverable amount and the adjustment charged to the profit and loss account as an impairment cost. It is recommended for each club to apply consistent accounting policies in respect of player registration costs.

4.5

The club must prepare supplementary information (to be submitted to the MCC) if the accounting requirements described in these regulations are not met by the disclosures and accounting treatment in the audited annual financial statements. The supplementary information must include a restated balance sheet, profit and loss account and any associated notes to meet the requirements set out above. There must also be included a note (or notes) reconciling the results and financial position shown in the supplementary information document to those shown in the audited financial statements (that were prepared under the national accounting practice). The restated financial information must be assessed by the auditor by way of agreed-upon procedures.

Article 5 Shareholder / related-party contributions

- 5.1 When submitting the accounts, each club must disclose any shareholder or related-party contributions. These include the following:
- a) Amounts received from a shareholder/related party as a donation that are an unconditional gift made to the club and that increase the club's equity without any obligation for repayment; and/or
 - b) Share capital increase: payments for shares through the share capital or share premium reserve accounts less capital reductions; and/or
 - c) Revenue transactions from a related party: the amount to be considered as a contribution will be no more than an amount equivalent to the difference between the actual revenues in a reporting period and the fair market value of the transaction(s) in a reporting period; and/or
 - d) Club contribution to the basketball department.

Article 6 Analysis and assessment of documents

- 6.1 Once the documents have been submitted, they will be analysed by the Company and the MCC. The club will reply to all requests for clarifications and complementary information that it receives so that the Company and the MCC can have a reliable image of its financial and accounting position.

The reports on analyses based on parameters will be provided. They will have to be completed according to the following criteria (IAS criteria):

- a) **GOING CONCERN**: financial statements prepared on the assumption that the club is a going concern and will continue in operation for the foreseeable future;
- b) **ACCRUAL BASIS OF ACCOUNTING**: transactions and events are recognised when they occur (and not when cash or its equivalent is received or paid) and they are entered in the accounting records and reported in the financial statements of the period to which they relate;
- c) **CONSISTENCY**: the presentation and classification of items in the financial statements will be retained from one period to another;

- d) **OFFSETTING**: assets and liabilities will not be offset;
- e) **RELEVANCE**: financial statements provide information that is relevant to the decision-making needs of users; and
- f) **RELIABILITY**: financial statements represent faithfully the result and the financial position of the club and reflect the economic substance of events and transactions and not merely the legal form. They are also neutral (free from bias), prudent and complete in all material aspects.

The information presented by the clubs must be adapted to the standards set by the MCC in those cases in which the local legislation does not establish the accounting criteria mentioned in the previous paragraphs.

Article 7 Fair market value assessment

The club must determine the fair market value of any related-party transactions. If the estimated fair market value is different from the recorded value, the revenues must be adjusted accordingly, taking into account that no upward adjustments can be made to the revenues.

Examples of related-party transactions that require a club to demonstrate its estimated fair market value include but are not limited to:

- sale of partnership rights by a club to a related party;
- any transaction with a related party whereby goods or services are provided to a club.

The fair market value of the partnership transactions with related parties will be determined by a renowned independent external firm appointed by the Company. The clubs may provide the Company with an additional value (determined by one of the top international firms, which must be previously approved by the Company), so that the final fair market value is determined after considering both.

CHAPTER II COMPETITIVE BALANCE STANDARDS

Article 8 Competitive Balance Standards

Each club will be required to adjust the total remuneration of its team roster to ensure compliance with the Competitive Balance Standards (hereinafter “CBS”). The CBS will establish standardised remuneration levels across all clubs (“club remuneration levels”), determined by the average collective revenues of the clubs participating in the EuroLeague with a Licensed Club Contract.

These club remuneration levels set by the CBS will define two upper thresholds and a mandatory minimum amount that each club must allocate towards player net remunerations.

Article 9 Licensed Club’s Defined Revenues

9.1 The Licensed Club’s Defined Revenues (hereinafter “LCDR”) represent the standardised revenue base generated by the licensed clubs participating in the EuroLeague. This revenue base includes:

- a) Game day revenues:
 - i. Ticket sales (season tickets, packages and game day) net of ticketing fees and/or facility fees added to the price of the ticket, for all basketball games played by the club in all competitions, including preseason, regular season, postseason/tournament games and friendly/exhibition games.
 - ii. Food & beverage sales in and around the arena, if collected by the club.
 - iii. Temporary / game day revenues from merchandise sales and sponsorship/advertisement within the arena (including game programmes, fan gear or giveaways, toys, flags, etc.) (net of associated expenses).
 - iv. Game day parking fees around the arena, if collected by the club.
- b) Commercial revenues:
 - i. Corporate partnerships: all revenues generated across all categories from corporate partnerships, advertising, sponsorship agreements and other business transactions associated with the club.

- c) Economic distribution from centralised rights (EuroLeague, domestic championships and other competitions) net of any cost attributable to the club such as officiating expenses.
 - i. Merchandise sales (net of associated costs).
 - ii. Licensing and other intellectual property.
 - iii. Other audiovisual rights, including emerging technologies whether presently existing or not (not included in the economic distribution).
 - iv. Any EuroLeague non-game programming (highlights, practice footage, interviews, etc.).
- d) Non-operating revenues:
 - i. Youth programmes revenues (net of associated costs).
 - ii. Player transfers (to teams outside the EuroLeague)
 - iii. Public sector revenues (contributions from local/state governments to the club's budget).

- 9.2 Any other revenues not listed in 9.1 above are excluded from the calculation of the LCDR.
- 9.3 All transactions with related parties must be accounted for at fair market value.
- 9.4 In case of multisport clubs, only direct revenues attributable to the basketball department will be considered.
- 9.5 In the case that a player under contract with a EuroLeague club transfers to a team outside the EuroLeague in a particular season, any amount above one million (1,000,000) euros will be excluded from the calculation. Transfers involving players who have not been registered in the EuroLeague for that season will not be considered in the calculation.
- 9.6 Any public sector revenues above 25% of the club's revenue budget will be excluded from the calculation.

- 9.7 The calculation of the Average Licensed Club's Defined Revenues (ALCDR) for each season will be determined by excluding the highest and lowest values of the participating licensed clubs from each revenue category, namely game revenues, commercial revenues and non-operating revenues. The ALCDR will be the base to calculate the club remuneration levels for the clubs participating in the EuroLeague.

Article 10 Club remuneration levels

- 10.1 The club remuneration levels will be determined by the Company by analysing each club's audited financial accounts and updated budgets over specified periods.

- 10.2 The Company will notify all clubs of the club remuneration levels applicable for the upcoming season by 1 March of each season.

For the 2025-26 and 2026-27 seasons, the ALCDR will be calculated using a rolling three-season average, which includes each club's audited accounts from the T-1 and T-2 seasons, as well as the most recent budgets for the T season, as required by Article 3.3c).

Starting from the 2027-28 season, the ALCDR calculation will shift to a rolling two-season basis, incorporating the audited accounts from the T-1 season and the most recent budgets for the T season as required by Article 3.3c).

- 10.3 If significant discrepancies arise between a club's reported budget and its most recent audited financial accounts, the Company reserves the right to require a detailed justification report. This report must be submitted with supporting documentation explaining the variances, including, but not limited to, new sponsorship agreements, audited gate revenue figures or other relevant financial records.

- 10.4 The club remuneration levels will be:

- a) **Low Remuneration Level (LRL):** The LRL is the minimum net amount that a club must allocate to the remuneration of all players registered with a professional contract for the EuroLeague competition for the relevant season. The LRL applies equally to all licensed clubs.

A reduced rate will be applied for associated clubs based on their method of qualification (wild card or EuroCup). Should a EuroCup associated club qualify for the playoffs and secure its participation in the EuroLeague for the subsequent season, the percentage for wild card clubs will apply.

- b) **Base Remuneration Level (BRL):** The BRL sets the maximum net amount that each club is authorised to allocate for the remuneration of all players registered for the EuroLeague competition in the relevant season, excluding specific player remunerations classified as “Exceptions” in accordance with Article 12. The BRL will apply uniformly to all EuroLeague clubs.
- c) **High Remuneration Level (HRL):** The HRL sets the maximum allowable net amount that a club may allocate towards the remuneration of all players, excluding specific player remunerations classified as “Exceptions” under Article 12 a), b), d) and e), and including the remuneration of up to three designated players per season as outlined in Article 12c). The HRL will apply uniformly to all EuroLeague clubs.

10.5

The club remuneration levels per season will be determined based on ALCDR percentages as follows:

- a) For the 2025-26 season:
- HRL: No limit
 - BRL: 40% of ALCDR
 - LRL:
 - Licensed clubs: 30% of ALCDR
 - Associated clubs via wild card: 24% of ALCDR
 - Associated clubs via EuroCup: 21% of ALCDR
- b) For the 2026-27 season:
- HRL: No limit
 - BRL: 40% of ALCDR
 - LRL:
 - Licensed Clubs: 30% of ALCDR
 - Associated clubs via wild card: 24% of ALCDR
 - Associated clubs via EuroCup: 21% of ALCDR
- c) For the 2027-28 onwards:
- HRL: 60% of ALCDR
 - BRL: 40% of ALCDR
 - LRL:
 - Licensed clubs: 32% of ALCDR
 - Associated clubs via wild card: 26% of ALCDR
 - Associated clubs via EuroCup: 23% of ALCDR

10.6 To ensure stability for clubs during the transition period, the BRL will be set at a minimum of 10 million euros net per club for the first three seasons. The HRL requirement will take effect starting in the 2027-28 season and will be set at a minimum of 15 million euros net.

10.7 Clubs that exceed the BRL or HRL must pay the amounts established as Competitive Balance Compensation in accordance with Article 13.

10.8 Clubs must reach the LRL by the end of the EuroLeague's registration period. Previously, clubs must likewise have committed a minimum of 80% of their defined LRL upon closing registration for EuroLeague Regular Season Round 1.

In all these cases, the delta between the committed remunerations for that season and the LRL must be equally distributed among the players with a professional contract who are on the roster at that time. The club must demonstrate within a period of 15 days the payment schedule to pay this delta throughout the season, which must be prorated according to the players' monthly remuneration. Should this not be the case or any instalment not be paid in due time, this amount will be considered an overdue payable.

Article 11 LCDR and club remuneration level adjustments

11.1 In the event of extreme variations in the LCDR due to market disruptions, the Company reserves the right to revise the methodology to establish the club remuneration levels and implement measures to mitigate these impacts.

11.2 The Company reserves the right to limit to 10% between seasons any unexpectedly high increases in revenues related to the EuroLeague economic distribution to the clubs deriving from centralised rights. Any excess amounts beyond this limit will be deferred and distributed in equal proportions over the subsequent seasons.

11.3 Club remuneration levels will not decrease by more than 3% from one season to the next.

11.4 The benefits and damages to the affected parties will be taken into deep consideration to the effects of any modifications.

Article 12 Exceptions to the club remuneration levels

Exception Players are specific players whose remuneration is excluded from BRL and/or HRL calculations. These categories will be as follows:

- a) **U23 Player Exception:** the full remuneration of all U23 players from their HRL and BRL is excluded. To determine this category of players the cut-off date of birth is 1 January of the relevant season, meaning that players must not have turned 23 years of age before this date.
- b) **Extended Tenure Player Exception:** Each club may deduct 50% of the remuneration of players who have been with the same club for more than three seasons, consecutive or not, from the club's HRL and BRL. A season will be considered valid for this purpose if the player has been included in the scoresheet for at least one official club game.
- c) **Anchor Player Exception:** Each club may designate up to three players as "Anchor Players" per season until the end of the EuroLeague player registration period, with their full remuneration being excluded from the club's BRL. Additionally, a club may change the "Anchor Player" designation from one player to another during this period in the event of new player registrations or any other changes in the roster. An Anchor Player Exception may be selected after applying the Extended Tenure Player Exception.
- d) **Long-Term Unavailability Exception:** Each club may add a single replacement player to the roster for any player sidelined by a long-term (defined as exceeding two months) injury, doping suspension (either provisional or definitive) or disciplinary sanction imposed by the governing bodies of the Companies. Under no circumstances may a club sign more than one replacement player for the same unavailable player. The available amount for signing the replacement player under this exception will be calculated based on the prorated remuneration of the unavailable player during the period of unavailability. The used amount will be excluded from the club's HRL and BRL.

If the remuneration of the replacement player exceeds the unavailable player's prorated remuneration during this period, the excess amount will be included in the calculations for both the BRL and the HRL.

The long-term player exception due to injury must be supported on medical reports. The Euroleague Basketball Medical Officer will review the relevant medical reports provided by the team doctor to determine whether the player has suffered a long-term injury. The Euroleague Basketball Medical Officer may request further medical information and, if necessary, examine the player.

- e) **Mid-Range Exception:** Each club may exclude the full remuneration of one player whose remuneration fits between a minimum and a maximum percentage of the club's BRL and HRL, subject to the rules below:
- i. **Full Mid-Range Exception:** Each club may sign one player with remuneration between 7% and 8% of the BRL set for the T season, provided that the club did not exceed the BRL and/or the HRL in the T-1 season.
 - ii. **Small Mid-Range Exception:** Each club may sign one player with remuneration between 4% and 5% of the BRL set for the T season, provided that the club exceeded the BRL and/or the HRL in the T-1 season.

A club that applied the Small Mid-Range Exception in the T season may be eligible to use the Full Mid-Range Exception in the T+1 season, provided that it has not exceeded either the BRL or the HRL in the T season.

A club may change the Mid-Range Exception designation from one player to another until the end of the EuroLeague player registration period.

Article 13 Competitive Balance Compensation

13.1 The Competitive Balance Compensation (hereinafter "CBC") will serve as a financial mechanism designed to redistribute funds collected from clubs exceeding the BRL and HRL. These funds will be allocated equally to compliant clubs at the end of the season.

13.2 Clubs exceeding their BRL must provide financial compensation to other participating clubs based on the following rates:

- >0-10% above club BRL: €0.50 per euro exceeded.
- 10-30% above club BRL: €0.75 per euro exceeded.
- 30-50% above club BRL: €1 per euro exceeded.
- For every additional 20% above club BRL beyond 50%, rates increase by €1 per euro exceeded.

During the 2025–26 and 2026–27 seasons, the financial compensation to be paid by a club exceeding the BRL will be limited to a maximum of 10% of the total net player remunerations of players with professional contracts of each club for the relevant season.

- 13.3** Clubs exceeding their designated HRL must provide financial compensation to other participating clubs based on the following rates:
- >0-10% above club HRL: €0.5 per euro exceeded.
 - >10-30% above club HRL: €1 per euro.
 - >30-50% above club HRL: €1.5 per euro.
 - For every additional 20% above club HRL beyond 50%, rates increase by €1 per euro.
- 13.4** At the end of the EuroLeague player registration period, clubs must have access to their CBC calculation and may submit objections or clarifications in accordance with the procedure outlined in Article 19.
- 13.5** The Company will communicate the final CBC to the clubs no later than 1 May.
- 13.6** Clubs must fulfil their CBC obligations by 1 June. If a club exceeds both the BRL and the HRL at the end of the EuroLeague player registration period, it will only be required to pay the higher of the two compensation amounts.
- 13.7** Under no circumstances will a CBC amount already incurred by a club after the end of the EuroLeague registration period be reduced due to roster changes, whether resulting from early contract termination, contract renegotiation or unavailable players.
- i. If a player's contract includes an option for early termination between the end of the EuroLeague registration period and the end of the season, the remuneration covering the entirety of the season will be accounted for in the CBC calculation.
 - ii. The same criteria will apply if a player's contract finishes after the end of the EuroLeague registration period but before the end of the season and includes an option for extension(s) within the same season.

Article 14 Submission of player contracts and active rights

- 14.1** Every player registered to participate in the EuroLeague will be considered in the allocation to the club remuneration levels.
- 14.2** In order to register a player, a club must submit any documentation as required in the EuroLeague Regulations and in compliance with the framework agreements in force.
- 14.3** Once a registration request for a professional contract is validated by the Company, its registration will be in place for the entirety of its term, and the remuneration space will be allocated to the club remuneration level, unless a termination, transfer, loan agreement or contract suspension in accordance with the foreseen circumstances is duly submitted.
- The registration for youth/linked team contracts will finish at the end of each season.
- 14.4** If a club and player execute any option of the contract or agree to modify a contract by extending its duration, updating financial conditions or altering other contractual clauses, a new contract registration reflecting these changes must be submitted along with all relevant supporting documentation. The revised contract terms must receive validation from the Company to take effect.
- 14.5** The **early termination agreements** between the club and the player must be submitted by the club to the Company upon the player's deregistration. The club must provide all relevant details of the early termination, including financial settlement terms and the termination date, and must upload the corresponding supporting documentation.
- 14.6** The **transfer and loan agreements** between clubs for a player's services must be submitted to the Company at the time of the player's registration. If both the sending club and the receiving club participate in Euroleague Basketball competitions, both clubs are required to submit the agreements.
- 14.7** Upon the deregistration of a player, the club must also submit information about any **active sporting and/or economic rights** of any player that may still be in force.

Article 15 Player remuneration calculations

- 15.1** The following concepts will be included as part of the player remunerations upon registration for calculating the club remuneration levels:

- a) **Net remuneration:** the total net amount of wages received by a player on a regular basis, typically monthly, excluding tax payments and/or social security contributions made by the club.
- b) **Image rights payments:** net amounts paid to players (either directly or indirectly) as a result of contractual agreements with the club for the right to exploit the player's image or reputation in connection with basketball and/or non-basketball activities.
- c) **Fringe benefits / payments in kind:** net amounts received by the player in the form of goods or services instead of cash, including housing, cars, travel and free or subsidised goods or services, as well as any additional income and/or benefits that the player receives for their activity as a basketball player for the club, even if provided via third parties.
 - i. The various concepts included as fringe benefits must be clearly quantified in the player contract.
 - ii. For clubs providing fringe benefits such as housing that is not specified in the player contract, the following net amounts will be applied, unless the club can demonstrate a lower cost:
 - 1. Housing
 - 1-bedroom monthly rental: €1,000
 - 2-bedroom monthly rental: €1,400
 - 3-bedroom monthly rental: €1,800
 - 4-bedroom monthly rental: €2,500
 - iii. For fringe benefits such as cars or air travel, which cannot be determined at the time of signing the player contract, the following net amounts will be applied:
 - 2. Air travel
 - Short-haul flights
 - Duration: less than 3 hours
 - Distance: under 1,500km
 - Economy class: €500
 - Business class: €1,000
 - Medium-haul flights
 - Duration: between 3 and 6 hours
 - Distance: between 1,500 km and 4,000km
 - Economy class: €1,000
 - Business class: €2,000

- Long-haul flights
 - Duration: over 6 hours
 - Distance: over 4,000km
 - Economy class: €1,500
 - Business class: €3,500
- 3. Cars
 - Monthly cost: €600
- iv. For clubs providing fringe benefits to players that are not quantified in the player contract, a total net amount of up to 75,000 euros will be considered as fringe benefits remuneration, unless the club can demonstrate a lower cost.
- d) **Individual bonuses:** net amounts corresponding to variable bonuses either linked to player performance (such as but not limited to statistical achievements or individual awards) or not (fidelity, good behaviour, etc).
 - i. Individual bonuses must be clearly defined and quantified in the player contract. Individual bonuses will not be included in the LRL but will be accounted for in the BRL and HRL, regardless of whether they are achieved or not.
 - ii. Collectively negotiated or granted team bonuses based on team performance, such as qualifying for the Play-In, Playoffs, reaching the Final Four, winning the EuroLeague, winning the domestic championship or Cup and other comparable accomplishments, whether included in the player contract or not, will not be considered for club remuneration level purposes.
- e) **Agent fees:** any amounts paid by the club to the agent(s) of the player related to the provision of services towards the player.
- f) **Signing bonuses:** net amounts paid to a player as an incentive to join a club. The signing bonus will be prorated throughout the term of the player contract. In case of a contract renegotiation, the original proration period of the signing bonus will remain unchanged and will not be extended over the new contract term. In the case that the renegotiated contract includes a new signing bonus, this amount will be prorated on a straight-line basis over the term of the new contract.
- g) **Transfer fees:** any agreed amount paid by an interested club to the club that possesses the player's exclusive contracted playing rights. The transfer fee must be prorated throughout the term of the player contract.

15.2 Third-party payments to players are prohibited unless (i) the third-party payments are legal under the club's applicable national law, (ii) the third party is clearly identified in the player contract and (iii) the amount to be paid by the third party is fully disclosed in the player contract.

15.3 If the amounts of player contracts, early termination agreements and transfer and loan agreements are expressed in a currency other than euros, all of them must be converted into euros using the average exchange rate for the period from 1 September to 28 February of the T-1 season. For all contracts, including multi-season agreements, the exchange rates will be updated annually.

Article 16 Early termination calculations

16.1 The following concepts must be included as part of a player's remuneration upon deregistration for the calculation of the club remuneration levels:

- a) Mutual agreement:** the settlement amount specified in the termination agreement plus the net amounts received up until the termination of the player contract — as outlined in Article 15.1.a), b), c) and d) —, along with the agent fees, prorated signing bonuses and prorated transfer fees.
 - i. In case of a one/last season contract, the total settlement amount must be allocated to that specific season.
 - ii. In case of a multi-season contract, a payment plan may be established to manage the distribution of the settlement amount. The club has the flexibility to either allocate the entire settlement amount in the current season or distribute it throughout each season based on the contract's original term.
- b) Club option:** The amount quantified in the player contract will be included in the calculations of the season for which the option will be exercised.

16.2 In case of a unilateral termination where the club and player do not reach an agreement, the club must promptly notify the Company of the situation. The calculation of the player's remuneration to be applied will include the net amounts received, as outlined in Article 15.1. a), b), c) and d), up until the termination of the player contract, along with the agent fees, prorated signing bonuses and prorated transfer fees.

Following a final decision by any judicial or arbitration body or future mutual agreement reached, any additional amounts will be allocated as follows:

- i. In case of a one/last season contract, to the season where the final amount is defined.
- ii. In case of a multi-season contract, the club has the flexibility to either allocate the entire settlement amount to the season where the final amount is defined or distribute it throughout the number of seasons remaining in the contract when the unilateral termination took place.

Article 17 Locked remuneration calculations

- 17.1** For the calculations of the club remuneration levels, clubs must account for the **locked remuneration space**, which is the net amount that is allocated to registered multi-season contracts, compensations related to early termination of player contracts, including those arising from club options, judicial or arbitration decisions or mutual agreements, as well as prorated amounts of signing bonuses and transfer fees.

Article 18 CBS platform

- 18.1** The CBS platform will function as the designated tool for calculating the LCDR, managing and monitoring compliance with the club remuneration levels, and registering player contracts, early termination agreements, transfer and loan agreements and active sporting rights in accordance with Article 14.
- 18.2** The clubs must submit the standardised Euroleague Basketball financial statements and declarations, in full compliance with Article 2, directly through the CBS platform.
- 18.3** The information submitted to the Company through the CBS platform will be managed by a role-based security model. The Company and clubs will be assigned specific permissions that define what actions they can perform, such as storing, modifying, viewing or deleting information, based on their role. Compliance with data security and privacy standards will be maintained to ensure the protection of confidential club financial information.

Article 19 MCC appeals

- 19.1** The Company will apply the necessary Financial Fair Play adjustments to the information submitted by the clubs, ensuring accurate calculations of the LCDR and club remuneration levels, as stipulated in these regulations.
- 19.2** In the event that in the opinion of a club, the Company may have erroneously allocated an amount within the calculation of any values of the CBS, it may submit a petition to the MCC to reassess the calculation within 15 days following the date of receipt of the Company's notification to the club.
- 19.3** The MCC will issue its reasoned ruling, which will be binding for the Company, within 30 days following the date of receipt of the petition.

Article 20 Right of information

- 20.1** The Company will make public the non-fulfilments of the CBS.
- 20.2** The rulings and criteria issued by the MCC will be made available to the clubs on an anonymised basis.
- 20.3** Every player has the right to request the information concerning their personal status in the context of Remuneration and Exceptions applied to them.
- 20.4** The EuroLeague Players Association ("ELPA") will have the right of accessing information on the exception categories possibly assigned to each player on the EuroLeague roster of their respective club under Article 12 before Round 1 and at the end of the EuroLeague player registration period. This information will be provided to ELPA subject to ELPA undertaking to treat it on a confidential basis.

CHAPTER III: ADDITIONAL REGULATIONS

Article 21 Relevant facts

The clubs will report any relevant facts that may affect the situation regarding their economy, equity or ownership structure within 30 days following these relevant facts, as well as their economic impact in the case that it can be assessed. In addition, the clubs will provide all necessary documents/information at any time to demonstrate that the object of these rules is accomplished and notify in writing about any subsequent events that may constitute a significant change to the information previously submitted with regard to relevant facts. To these effects, relevant facts will include but will not be limited to:

- a) early termination of partnership contracts;
- b) termination, non-renewal or considerable modification of the agreement for the use of the arena;
- c) any pending disputes with players, coaches, other clubs or agents before sports courts, arbitration courts or ordinary courts (at a national or international level) or tax entities;
- d) change in the ownership of shares of the club when it involves shareholders holding at least 10% of the share capital as a result of the operation;
- e) loss or purchase of assets that may be relevant for the equity of the club;
- f) bad debts;
- g) cash flow constraints;
- h) any type of economic operations amounting to 10% of the annual budget;
- i) modification of the share capital or other statutory provisions;

Article 22 Inaccurate information and disciplinary procedures

- 22.1** If the audited financial statements in Article 3.2 are not consistent with the financial information previously submitted or if the players' economic information is not fully disclosed, the Companies, upon proposal by the MCC, may either revoke the decision to register the club, decide the cancellation of the licence or impose a sanction pursuant to the Euroleague Basketball Disciplinary Code, depending on the gravity of the breach and the importance of the differences between the financial information submitted and the audited financial statements.
- 22.2** For the purpose of the spirit of financial stability and fair play, it is forbidden to circumvent the present regulations.

Article 23 Non-fulfilment of obligations

- 23.1** The Companies have the right to cancel a licence, temporarily suspend it, reject the application for a licence at its own discretion, and/or apply the corresponding procedure in accordance with the Euroleague Basketball Disciplinary Code for one of the following reasons:
- a)** Not fulfilling the criteria stated in Article 2. Notwithstanding this, if a club does not meet the criteria set forth in paragraphs a), b) c), and/or d) from Article 2, the Company may request to the club that its financial position be evaluated by an external auditing firm in order to establish if it is possible for the club to follow an alternative compliance plan to overcome the insolvency situation within a reasonable deadline. In this case, the Companies may accept a provisional registration of the club.
 - i.** In case of an aggregate deficit for the monitoring period and to enable a better understanding of the facts, the club may demonstrate that the aggregate deficit is reduced by a surplus (if any) resulting from the sum of the results from the two reporting periods prior to T-2 (i.e. reporting periods T-3 and T-4).
 - ii.** If a club's equity is not positive, the club will not be considered in breach if it has reduced its negative equity position by 20% or more compared with the previous year's annual financial statements.
 - b)** Not providing the documentation or not respecting the deadlines established in Article 3.

- c) Providing false or inaccurate statements or documents or omitting to provide due information or documents.

23.2 Failure to reach the LRL thresholds in two out of five seasons may entail the cancellation, temporary suspension or rejection of an application for a licence.

23.3 Failure to provide accurate and truthful information regarding the relevant facts from Article 21 will be subject to the corresponding proceeding in accordance with the Euroleague Basketball Disciplinary Code.

Article 24 Compliance plan

The compliance plan, which will be subject to a monitoring process by the MCC, will include the following, depending on the reason for its implementation:

- a) A feasibility plan that enables the club to guarantee a balanced budget between revenues and expenses.
- b) A proposal for actions to recover the balanced equity of the club and completion deadlines.
- c) Debt payment scheme.

The completion period of the plan may not exceed three seasons. During the assessment process, the MCC may request the information considered appropriate to check the compliance status of the plan. The failure to comply with the requirements established herein will lead to the consequences set forth in Article 22.

Article 25 Management control and supervision bodies

The bodies responsible for management control, decision-making and supervision will be the following:

- a) Management Control Commission
 - This commission will be composed of three members economically independent of and without any working relationship with the clubs.
 - These members must be experts of recognised prestige in legal, finance and accounting and must also know the particularities of basketball clubs.

- The members and the President of the MCC will be appointed by the General Assembly at the proposal of the Euroleague Basketball CEO.

Duties:

- Defining the general accounting criteria applicable to the clubs.
- Defining the specific accounting criteria applicable to those clubs that are not incorporated as limited companies.
- Creating the documents that the clubs must complete and send regularly.
- Resolving appeals regarding calculations and criteria applied in the CBS.
- Requiring complementary documents and explanations when they consider it appropriate and/or appointing accounting and auditing experts to review the documentation at the club's offices.
- Elaborating, by 30 April each season, a report about the documentation submitted by the clubs participating in the EuroLeague determining whether they will be authorised to participate and/or apply for a licence in the following EuroLeague season in the case that these clubs show signs of doubtful financing and poor economic feasibility.
- Deciding on conducting investigations by itself, by requesting the Company to carry out an investigation and/or compliance audits of the clubs at any time in order to ensure that they are fulfilling their obligations and that licences were correctly granted.
- Conclude a settlement agreement with the consent of the club in order to establish a compliance plan to be fulfilled by the club. The settlement agreement may also include the application of disciplinary measures.
- Submitting to the corresponding governing and/or disciplinary bodies, if appropriate, proposals for any actions to be taken.
- Reporting to the Company any relevant information.

In carrying out these duties, the MCC will ensure equal treatment to all clubs and will at all times bear in mind the overall objectives of these regulations, in particular to defeat any attempt to circumvent these regulations and their objectives.

b) Auditing Firm

An external auditing firm (one of the top four on an international level) independent of the clubs will be selected by tender to operate upon appointment by the Company at the club's expense.

Duties:

- Checking the reliability of the data appearing in the reports provided by the clubs.
- Guaranteeing that the statements presented to the fiscal and social security bodies are correct and that the player remunerations stated are the actual ones.
- In short, verifying and certifying the information provided by the clubs.
- In the event that the information is not accurate, the MCC will propose the stipulated sanctions. Sanctions will be applied according to the gravity of the infringement.

Article 26 Confidentiality

All the information provided by the clubs will be processed by the different bodies with the utmost confidentiality.

CHAPTER IV: MISCELLANEOUS PROVISIONS

Article 27 Definitions

For the purpose of these regulations, the applicable definitions of terms are the following:

- a) **T SEASON:** the official basketball season (from 1 July to 30 June) in which the club participates in the EuroLeague.
- b) **T-1 SEASON:** the season immediately preceding the T season. The T-1 season is the one in which the club submits its application to participate in the EuroLeague the following season.
- c) **T-2 SEASON:** the season immediately preceding the T-1 season.
- d) **T-3 SEASON:** the season immediately preceding the T-2 season.
- e) **T-4 SEASON:** the season immediately preceding the T-3 season.
- f) **PLAYER:** any individual who, within the reporting period, has been under a contract with the club which may enable them to participate as a player in any basketball competition during this period.
- g) **FAIR PLAY RESULT:** the difference between total revenues and total expenses for each reporting period, which must be calculated in accordance with Exhibit A (balance sheet) and Exhibit B (profit and loss account) hereto.

If total expenses are less than total revenues for a reporting period, then the club has a surplus/profit.

If total expenses are greater than total revenues for a reporting period, then the club has a deficit/loss.

- h) **AGGREGATE RESULT:** the sum of the fair play results of each reporting period covered by the monitoring period (i.e. reporting periods T-1, T-2 and T-3).
- i) **AGGREGATE DEFICIT:** the situation when the aggregate fair play result for the monitoring period is negative (below 0).
- j) **INVESTMENTS IN THE CLUB'S FACILITIES:** any type of investment in tangible or intangible assets related to the club's facilities (new acquisition or renovation of the arena/offices and all its related tangible or intangible assets).

- k) **OVERDUE PAYABLES:** Payables are considered as overdue if they are not paid according to the agreed terms.

Payables are not considered as overdue if the club is able to prove that:

- i. The club has paid the relevant amount in full; or
 - ii. The club has concluded an agreement that has been accepted in writing by the creditor to extend the deadline for payment beyond the applicable deadline; or
 - iii. The club has brought or contested a legal claim that has been deemed admissible by the competent authority under national law or has opened proceedings with the national or international authorities or relevant arbitration tribunal contesting liability in relation to the overdue payables; however, if the decision-making bodies (the Companies and/or the MCC) consider that this claim or contestation has been brought or these proceedings have been opened for the sole purpose of avoiding the deadlines set out in these regulations (i.e. in order to buy time) and/or that this claim or contestation is unfounded, the relevant amount will still be considered as an overdue payable.
- l) **COSTS OF ACQUIRING A PLAYER'S REGISTRATION:** amounts paid and/or payable to another club and/or a third party for the acquisition of a player's registration, including training compensation and solidarity contributions and excluding any internal development or other costs.
- m) **NET PLAYER TRANSFER REVENUES:** the profit/(loss) on the disposal of a player's registration to another club to be recognised in the profit and loss account is the difference between the disposal proceeds and the residual carrying value of the player's registration in the balance sheet as at the date of the transfer. In the event that the result of this operation is a negative amount, this amount will be considered within the player registration costs allocated to expenses for the relevant season.
- n) **PLAYER REMUNERATIONS:**

For the purposes of Exhibit B, the following concepts will be included within the player remunerations of a particular club for the relevant season:

- Gross remuneration received by all players under contract with the club.

- Player registration costs allocated to expenses.
- Any fee paid by the club to the player agents related to the services provided to the players.
- Any additional revenues and/or benefits that the players receive for their activity for the club as basketball players, including those from third parties.

The gross remuneration of the season will be fully registered in the profit and loss account of that season on an accrual basis.

The criteria used in paragraph l) for players will also be applied for coaches.

- o) **GROSS REMUNERATION:** aggregate amount of wages received by an individual on a regular basis, usually monthly, including any tax payments made by the club originating from the net remuneration. In addition, social security contributions, payments according to image rights, compensation for early termination, provisions for any bonuses and payments in kind must be included in the gross remuneration.
- p) **IMAGE RIGHTS PAYMENTS:** the amounts due to employees (either directly or indirectly) as a result of contractual agreements with the clubs for the right to exploit the image or reputation of the employees in relation to basketball and/or non-basketball activities.
- q) **PAYMENT IN KIND:** the use of goods or services as payment instead of cash (such as housing, cars and free or subsidised goods or services) plus any applicable taxes.
- r) **RELATED PARTY:** a person or entity that is related to the club, taking into account the substance of the relationship and not merely the legal form.
 - i. A person is considered a related party to the club if that person has control, joint control or significant influence over the club.
 - ii. An entity is considered a related party to the club if:
 - Both entities are members of the same group.
 - Both entities are controlled, jointly controlled or significantly influenced by the same government.
 - One entity has significant influence over the other entity.

- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - Both entities are joint ventures of the same third party.
 - One entity is a third party of a joint venture and the other entity is an associate of the third party.
 - The entity is controlled or jointly controlled by a person identified in paragraph i. above.
 - A person identified in paragraph i above has significant influence over the entity or is a member of the key management personnel of the entity.
 - The entity, or any member of a group of which the entity is a member, provides key management personnel services to the club.
 - The entity, alone or in aggregate together with other entities which are linked to the same owner or government, represent more than 30% of the club's total revenues.
- s) **RELATED-PARTY TRANSACTION:** a transfer of resources, services or obligations between related parties, regardless of whether a price has been charged.
- t) **FAIR MARKET VALUE:** the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. An arrangement or a transaction is deemed to be 'not transacted on an arm's length basis' if it has been entered into on terms more favourable to either party to the arrangement than would have been obtained if there had been no related party relationship.
- u) **MARKET DISRUPTION:** any unforeseen events or circumstances that materially affect the financial landscape of the EuroLeague, including but not limited to economic crisis, pandemics (such as Covid-19), geopolitical conflicts and natural disasters.

Article 28 Financial Stability and Fair Play Regulations key dates

The following list summarises the main deadlines included throughout these regulations with regard to the administration of the EuroLeague:

15 June	Clubs submit the administrative and financial documents for their registration
1 July	Season begins
15 July	Clubs submit Declaration of Quarterly Remuneration Payment
30 September	Clubs submit budgeted financial statements (second update)
Round 1 Date	Clubs have committed a minimum of 80% of their defined LRL
15 October	Clubs submit Declaration of Quarterly Remuneration Payment
20 December	Clubs submit audited annual financial statements for T-1 season
15 January	Clubs submit Declaration of Quarterly Remuneration Payment
31 January	Clubs submit budgeted financial statements (third update)
Round 29 Date	New player registration deadline Company provides provisional CBC
1 March	Company notifies club remuneration levels applicable for T+1 season Company informs exchange rates for CBS calculations
15 March	CBC petition to MCC deadline
15 April	Clubs submit Declaration of Quarterly Remuneration Payment
1 May	Company notifies final CBC
1 June	CBC payment deadline
30 June	End of season

In case of discrepancy in any dates, the deadlines established in the previous chapters will prevail.

EXHIBIT A **BALANCE SHEET**

ITEMS TO DETAIL IN THE BALANCE SHEET:

EQUITY AND LIABILITIES

EQUITY

- Share capital (see Note 1 enclosed)
- Reserves (legal and other reserves)
- Retained earnings/accumulated deficit brought forward
- Net profit/loss of the season

CURRENT LIABILITIES (< OR = 1 SEASON)

- Loans (see Note 2 enclosed)
- Liabilities towards employees (see Note 3 enclosed)
- Liabilities from player transfers (see Note 4 enclosed)
- Liabilities towards associated companies and other related parties
- Trade payables
- Liabilities towards tax authorities (see Note 5 enclosed)
- Prepayments received
- Provisions (taxes, pensions, others)
- Other current liabilities

NON-CURRENT LIABILITIES (> 1 SEASON)

- Liabilities towards employees (see Note 3 enclosed)
- Liabilities from player transfers (see Note 4 enclosed)
- Liabilities towards associated companies and other related parties
- Trade payables
- Liabilities towards tax authorities (see Note 5 enclosed)
- Prepayments received
- Provisions (taxes, pensions, others)
- Loans (see Note 2 enclosed)
- Other non-current liabilities

ASSETS

CURRENT ASSETS

- **Cash and cash equivalents**
- **Accounts receivable**
 - a) Trade receivables
 - b) Player transfers
 - c) From associated companies and other related parties
 - d) From tax authorities
- **Accrued income or prepaid expenses**
- **Inventories**

NON-CURRENT ASSETS

- **Tangible fixed assets.** This item must be divided into categories (see Note 6 enclosed).
- **Financial investments** (see Note 7 enclosed)
- **Intangible fixed assets**
 - a) Trademarks or other patents
 - b) Goodwill
 - c) Player registrations
 - d) Prepayments made for acquisition of players
- **Other items.** These will follow accounting criteria commonly accepted (see Note 8 enclosed).

ENCLOSED NOTES

1. **SHARE CAPITAL.** The type of company and capital structure (shares, interests, single-member company...) must be included.
2. **LOANS OR BANK OVERDRAFTS.** The reason for the debt and its repayment period must be detailed, as well as the loan holder.
3. **LIABILITIES TOWARDS EMPLOYEES.** The reason for the debt and its creditors must be mentioned, as well as the deadline by which the debt must be repaid.
4. **LIABILITIES FROM PLAYER TRANSFERS.** The name of the player who is the origin of the debt and the name of the club involved must be detailed, as well as the deadline by which the debt must be repaid.
5. **LIABILITIES TOWARDS TAX AUTHORITIES.** The type of tax and the deadline by which the debt must be repaid will be specified.
6. **TANGIBLE/INTANGIBLE FIXED ASSETS.** The following information must be disclosed for each type of tangible/intangible fixed asset:
 - a) The gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and at the end of the period; and
 - b) A reconciliation of the carrying amount at the beginning and at the end of the period, showing additions, disposals, increases or decreases during the period resulting from revaluations, impairment losses recognised in the profit and loss account during the period (if any), impairment losses reversed in the profit and loss account during the period (if any) and depreciation.

The depreciation methods and useful lives (or depreciation rates) used must be disclosed in the accounting policy notes.

7. **FINANCIAL INVESTMENTS** (in associated companies and other related parties, other loans, deposits, securities, etc).

Investments must include investments in subsidiaries, jointly controlled entities and associates. In respect of investments in subsidiaries, jointly controlled entities and associates, the following information must be disclosed as a minimum for each investment:

- a) Name
- b) Country of incorporation or residence
- c) Type of business/operations of the entity

- d) Proportion of ownership interest
 - e) If different, proportion of voting power held
 - f) Description of the method used to account for the investments
8. OTHER ITEMS. The items of a relative importance in their accounting records must be mentioned and detailed.
9. OTHER SIGNIFICANT AMOUNTS (ACCOUNTS RECEIVABLE, TRADE PAYABLES, PROVISIONS...). All amounts of a relative importance in their accounting records must be clearly detailed with their relevant explanatory notes and accounting policies.

EXHIBIT B

PROFIT AND LOSS ACCOUNT

ITEMS TO SPECIFY IN THE PROFIT AND LOSS ACCOUNT:

REVENUES

GAME DAY REVENUES

- **TICKET SALES.** The ticket sales of the EuroLeague must be categorised into single-game ticket sales, hospitality packages, mini-plans and group ticket sales. All these ticket sales must be separated from those corresponding to the domestic championship, season tickets and other competitions in which the club may participate, including pre-season, regular season and post-season tournaments, friendly and/or exhibition games (VAT, ticketing fees and facility fees added to the price of the tickets must be reported separately).
- **FOOD AND BEVERAGE.** The total revenues from concessions and catering services inside and outside the arena.
- **OTHER GAME DAY REVENUES.** The game day revenues from merchandise sales, sponsorship/advertisement within the arena (including game programmes, fan gear or giveaways, toys, flags, etc.) (net of associated expenses) and parking fees around the arena, if collected by the club.

COMMERCIAL RIGHTS

- **CORPORATE PARTNERSHIPS.** Amount corresponding to the revenues obtained by the corporate partners of the club. The clubs must report the name, business sector and amount received from all their partners. Agreements with related parties must be reported at fair market value (arm's length principle). If the value of the agreement is higher than the fair market value, the difference must be considered a contribution from shareholders/related parties (see Note 1 enclosed).
- **ECONOMIC DISTRIBUTION OF THE EUROLEAGUE BASKETBALL COMPETITIONS.** Amount received from the Company corresponding to audiovisual rights and competition premiums (any costs attributable to the club, such as officiating expenses, must be reported separately).
- **ECONOMIC DISTRIBUTION OF DOMESTIC COMPETITIONS.** Amount received from the Company corresponding to audiovisual rights and competition premiums (any costs attributable to the club, such as officiating expenses, must be reported separately).

- **OTHER AUDIOVISUAL RIGHTS AND PREMIUMS.** Other TV rights, radio rights, streaming rights, social media rights and other digital rights that are not included in the economic distribution.
- **MERCHANDISING, LICENSING AND OTHER INTELLECTUAL PROPERTY.** Amount corresponding to merchandise sales and any goods or services bearing the club's trademarks or otherwise designated as licensed by the club. Game day sales must be separated from the rest.

OTHER REVENUES

- **NON-PROFESSIONAL AND YOUTH PROGRAMMES.** All revenues related to non-professional and youth programmes.
- **NET PLAYER/COACH TRANSFER REVENUES.** Player/coach transfer fees (net player/coach transfer amount after deducting any possible pending amortisation). All transfer revenues must be specified per club/player/coach.
- **REVENUES FROM THE PUBLIC SECTOR** (see Note 2 enclosed)
- **ARENA REVENUES.** All revenues related to arena rental, parking fees, arena tours, museums and other income streams from events, entertainment and marketing.
- **OTHER REVENUES.** Revenues not generated by the club's core business. The clubs must detail all sources of revenues (see Note 3 enclosed).
- **EXTRAORDINARY REVENUES.** Revenues that are not likely to occur regularly or are unpredictable and do not relate to the club's core business. The clubs must detail all sources of revenues (see Note 3 enclosed).
- **SHAREHOLDER/RELATED-PARTY CONTRIBUTIONS.** All contributions from owners, shareholders, related parties, etc.

SEASON LOSS

EXPENSES

SPORTS AREA

- **STAFF EXPENSES.** The item of gross remunerations must be divided into remunerations of the players, coaches and other sports area staff (including General Manager). The clubs must report information of all gross and net player and coach remunerations in euros.
- **COSTS OF ACQUIRING A PLAYER'S REGISTRATION.** All transfer expenses must be specified per club/player/coach.

- **NON-PROFESSIONAL AND YOUTH PROGRAMMES EXPENSES.** All expenses related to non-professional and youth programmes of the club including gross remunerations of all the staff working in this area.

BUSINESS AREA

- **NON-SPORTS AREA STAFF EXPENSES.** E.g. Chief Business Officer, Media, Ticket Sales, Management, Finance, Human Resources, Marketing...
- **MERCHANDISING, LICENSING AND OTHER INTELLECTUAL PROPERTY EXPENSES.** All expenses related to merchandising, licensing and other intellectual property.
- **ADVERTISING AND MARKETING EXPENSES.** All expenses related to advertising and marketing.

OVERHEADS

- **ARENA EXPENSES.** All expenses related to the arena (rental, maintenance...).
- **OTHER OVERHEADS.** Cost of material, technical expenses, administrative overheads and costs related to other general business operations.
- **COMPETITION EXPENSES**
- **COMPETITION EXPENSES.** This item must include the officiating expenses (the EuroLeague expenses will be separated from those corresponding to the domestic championship), licence expenses, etc.
- **TRAVEL EXPENSES.** The trips (flight tickets, accommodation...) corresponding to the EuroLeague will be separated from the other competitions in which the club participates.

OTHER EXPENSES

FINANCIAL EXPENSES (see Note 4 enclosed)

- **TAX EXPENSES.** All taxes except for those derived from staff remunerations (these must be considered within the player/staff remunerations). Each type of tax must be individually detailed, and the applicable percentage of the corporate tax must be specified.
- **DEPRECIATIONS AND WRITE-OFFS.** Tangible fixed assets, intangible fixed assets and financial investments. Each type of tangible/intangible fixed asset and financial investment must be detailed.

Depreciable amounts of the capitalised cost of acquiring a player's registration are not considered in this section (these are considered within transfer expenses).

- **OTHER EXPENSES.** Expenses that do not relate to the club's core business (see Note 5 enclosed).
- **EXTRAORDINARY EXPENSES.** Expenses that are not likely to occur regularly or are unpredictable and do not relate to the club's core business (see Note 5 enclosed).

SEASON PROFIT

ENCLOSED NOTES

1. **CORPORATE PARTNERSHIPS.** If it is contracted per game, the amount corresponding to the EuroLeague games must be specified in the notes. If it is determined by contracts that include all competitions, these contracts must be detailed.
2. **REVENUES FROM THE PUBLIC SECTOR.** The type of body (town, province or state) must be specified, as well as the amount that each of them contributes.
3. **OTHER REVENUES AND EXTRAORDINARY REVENUES.** The origin of these revenues must be mentioned in the details of the financial statements.
4. **FINANCIAL EXPENSES.** The reason for these expenses must be specified (loan for renovation, financing of future revenues...).
5. **OTHER EXPENSES AND EXTRAORDINARY EXPENSES.** The origin of these expenses must be mentioned.
6. **REVENUE AND EXPENSE TRANSACTIONS FROM RELATED PARTIES MUST BE ADJUSTED TO REFLECT THEIR FAIR MARKET VALUE.**

For the purpose of the break-even result, the club must determine the fair market value of any related-party transactions. If the estimated fair market value is different from the recorded value, the revenues must be adjusted accordingly, taking into account that no upward adjustments can be made to the revenues.

Examples of related-party transactions that require a club to demonstrate their estimated fair market value include but are not limited to:

- Sale of partnership rights by a club to a related party;
- Any transaction with a related party whereby goods or services are provided to a club.

The fair market value of the partnership transactions with related parties will be determined by a renowned independent external firm appointed by ECA. The club may provide the MCC with an additional value (determined by one of the top international firms, which must be previously approved by the MCC), so that the final fair market value is determined after considering both.

7. MULTISPORT CLUB INDIRECT REVENUES/EXPENSES (REVENUES/EXPENSES INITIALLY ALLOCATED TO THE GENERAL OPERATIONS OF THE CLUB THAT HAVE A DIRECT IMPACT/RELATION WITH ITS BASKETBALL ACTIVITY). THE CRITERIA TO ALLOCATE THEM TO THE BASKETBALL DEPARTMENT MUST BE AGREED WITH THE MCC.
8. SEASON BUDGET. The season budget must be based on reasonable and conservative assumptions and projections, trying to foresee all possible expenses at the end of the season. For example, the bonuses that are normally paid to players with their victories. The club must be able to demonstrate that it can generate the revenues presented.
9. EACH ITEM ON THE FACE OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT MUST BE CROSS-REFERENCED TO ANY RELATED INFORMATION IN THE NOTES.

SCHEDULE 1

DECLARATION OF NON-EXISTENCE OF OVERDUE PAYABLES

After the audit process that has been carried out by our auditing firm(hereinafter the “Auditing Firm”), in which the accounts of the company (hereinafter the “Club”) have been duly audited according to the fiscal year running from 1 July [year] to 30 June [year], and following the requirements established in the Euroleague Basketball Financial Stability and Fair Play Regulations (hereinafter “FSFPR”), we hereby confirm to have sufficient basis to conclude the following:

As of 30 June [year], the Club does not have any overdue payables with former or registered players, coaches and/or employees, any other club and/or any tax or social authorities.

In order to reach the conclusion above, the Auditing Firm has based the analysis on the concepts appearing in Article 27 of the FSFPR, mainly the one related to the following:

OVERDUE PAYABLES: Payables are considered as overdue if they are not paid according to the agreed terms.

Payables are not considered as overdue if the club is able to prove that:

- a) The club has paid the relevant amount in full; or
- b) The club has concluded an agreement that has been accepted in writing by the creditor to extend the deadline for payment beyond the applicable deadline; or
- c) The club has brought or contested a legal claim that has been deemed admissible by the competent authority under national law or has opened proceedings with the national or international authorities or relevant arbitration tribunal contesting liability in relation to the overdue payables; however, if the decision-making bodies (ECA and/or the Management Control Commission) consider that this claim or contestation has been brought or these proceedings have been opened for the sole purpose of avoiding the deadlines set out in these regulations (i.e. in order to buy time) and/or that this claim or contestation is unfounded, the relevant amount will still be considered as an overdue payable.

In the event that any overdue payables existed as of 30 June [year], these must be expounded below with the confirmation from the Auditing Firm:

Signed in [place] on [date]

[The Auditing Firm]

By:

Title:

[The Club]

By:

Title:

DECLARATION OF QUARTERLY REMUNERATION PAYMENT

I, ..., with professional address at ... and national identity card number ... in my condition of ... of the club HEREBY DECLARE ON BEHALF OF THE CLUB AND UNDER MY OWN RESPONSIBILITY THAT:

- I am empowered to act on behalf of the club and issue this declaration.
- As of the date of this certificate (check the applicable box),
 - ☐ the club has fulfilled all its financial obligations towards former or registered players, coaches and/or employees, any other club and/or any tax or social authorities.
 - ☐ the club has the remaining financial obligations towards the individuals mentioned in the declaration attached (name of the individuals, overdue payments and their due dates).

Signed in [place] on [date]

[The Club]

By:

Title:

SCHEDULE 3

DECLARATION OF NON-BANKRUPTCY OR NON-INSOLVENCY

After the audit process that has been carried out by our auditing firm(hereinafter the “Auditing Firm”), in which the accounts of the company (hereinafter the “Club”) have been duly audited according to the fiscal year running from 1 July [year] to 30 June [year], and following the requirements established in the Euroleague Basketball Financial Stability and Fair Play Regulations (hereinafter “FSFPR”), we hereby confirm to have sufficient basis to conclude the following:

As of 30 June [year], the Club has not been formally declared bankrupt or insolvent by a competent body in its home country, has not entered into liquidation or dissolution or any similar proceeding affecting the ordinary course of its activity, is not in a situation in which it is obliged under law to file an insolvency proceeding or be entered into liquidation or dissolution, winding up or any similar proceeding in its jurisdiction.

Signed in [place] on [date]

[The Auditing Firm]

[The Club]

By:

By:

Title:

Title:

In the event that the Club has undergone any of the aforementioned situations in the three years prior to the date of this document, the corresponding certificate from the competent official body with the confirmation from the Auditing Firm must be attached hereto.

