Independent Football Regulator

Liquidity & Licensing Technical Consultation

Consultation Paper – November 2026

Contents

Executive Summary 3

1. A Risk-Based Approach to Liquidity 6
2. Financial Plan Template 13
3. Licence Transfers 15

Annex A: Licence Transfers: Proposed Rules and Guidance 16

Executive Summary

Background

The Football Governance Act ('the Act') establishes the Independent Football Regulator ('IFR') with statutory objectives to protect and promote financial soundness, protect and promote financial resilience of English Football and to safeguard its heritage.

From the start of the 2027/2028 football season, all regulated clubs will need a licence from the IFR to participate in the top five divisions of English football. Clubs will initially hold provisional licences, before transitioning to full licences by May 2030.

To obtain and maintain a full licence, clubs will need to meet three Threshold Requirements, including a requirement to hold and maintain appropriate financial resources. From May 2028, clubs will be required to submit a financial plan annually to support the IFR's assessment of whether this requirement is met.[1]

This consultation

This consultation should be read alongside the IFR's Supervisory Strategy, published 10 November 2026. The Supervisory Strategy sets out the IFR's wider approach to supervision, including how it will identify and respond to financial risk. This consultation provides further detail on one important element of that approach – the approach to liquidity – and seeks key stakeholders' views on its design. It also seeks views on two further aspects of the licensing framework: (i) the financial plan template and (ii) introducing a provision to allow the IFR to transfer a licence between legal entities.

Chapter One: sets out the IFR's proposed risk-based approach to liquidity, including how a club's risk profile will inform its liquidity expectation and how individual circumstances will be taken into account.

Chapter Two: seeks views on the reporting template for the financial plan Mandatory Licence Condition ('MLC'), which clubs are required to submit annually once on a provisional licence (i.e. from May 2028). The IFR will use this to assess whether a club is meeting the appropriate financial resources Threshold Requirement.

Chapter Three: seeks views on proposals for introducing a provision to allow the IFR to transfer a licence between legal entities within a club's structure.

[1] The IFR may require earlier or more frequent financial plans, where a club is assessed as higher risk.

Why the IFR is focusing on liquidity

Chapter One sets out the IFR's proposed risk-based approach to liquidity. Liquidity is a critical component of financial soundness because clubs need access to sufficient resources to meet their short-term obligations as they fall due, including withstanding periods of financial stress.

The draft State of the Game Report ('SotG') identified that many clubs do not have sufficient liquid assets to cover their short-term liabilities, with reliance on owner funding to meet short-term liquidity needs.[2] SotG also set out our expectation that a number of clubs will need to hold more cash in order to meet the IFR's appropriate financial resources Threshold Requirement.[3]

The IFR is therefore proposing a risk-based approach to liquidity as part of its assessment of whether clubs hold and maintain appropriate financial resources. The purpose is to provide clubs with a greater financial buffer against periods of stress, while recognising that liquidity is only one part of a club's overall financial position. The IFR will continue to consider wider risks and the more structural reasons that lead to liquidity issues. These include debt, solvency, business model and governance.

A risk-based and proportionate approach

The IFR does not propose imposing a single liquidity requirement uniformly across all clubs. Instead, as per the IFR's Licensing Guidance published on 1 July 2026, the IFR's liquidity expectations will be risk-based - i.e. reflect the unique financial circumstances of each club. To help clubs prepare, we have set out a starting expectation for clubs based on whether they are lower, medium or higher risk. These are starting expectations and will be adjusted on a club-by-club basis to reflect clubs' unique circumstances.

The IFR's assessment of risk will be informed by the financial risk factors in the IFR's Licensing Guidance, including liquidity and cash flow, debt and solvency, business model, and governance. The IFR may adjust a club's specific liquidity expectation where its individual risk and circumstances justify a higher or lower amount.

This approach is intended to ensure that clubs are not required to hold more liquidity than is justified by the risks they present, while providing greater protection where financial risks are more significant. It is also designed to incentivise clubs – those with lower financial risk will have lower liquidity expectations. We also propose a three-year transition to provide clubs with time either to build qualifying liquidity and/or to take action to reduce their underlying risks.

The proposed framework is a starting point and will be formally reviewed in 2028. By then, clubs will have completed their first financial plans and mandatory stress tests, providing

[2] Chapter 3.2, IFR State of the Game Report.pdf.
[3] Future Actions (Number 4), IFR State of the Game Report.pdf, pg. 37.

the IFR with additional evidence and a more comprehensive understanding about clubs' ability to withstand financial stress. The IFR will use that evidence to assess the effectiveness of the framework.

How to respond

This consultation is open for six weeks from 10 November 2026 to 18 December 2026.

Following consultation, the relevant sections of the IFR's Supervisory Strategy and Licensing Rules and Guidance will be updated.[4]

[4] Licensing | Independent Football Regulator.

1. A Risk-Based Approach to Liquidity

Introduction

1.1 To be granted a full licence by May 2030, clubs will need to meet the appropriate financial resources Threshold Requirement. The IFR consulted on its approach as part of the licensing consultations in October 2025 and March 2026 and published final guidance in July 2026.

1.2 The published guidance (the IFR's Licensing Guidance) sets out a risk-based framework under which clubs must hold and maintain financial resources, allowing them to remain operationally viable in both normal operating conditions and in certain stressed scenarios. The four risk factors that clubs must take into account are liquidity and cashflow, debt and solvency, business model, and governance.[5]

1.3 Since publication of the guidance, clubs have asked for further clarity on how the IFR will assess whether clubs are effectively mitigating against liquidity risk. This occurs when a club cannot access sufficient liquid resources to meet its short-term financial obligations as they fall due.[6] To help clubs work towards the requirements to be granted a full licence, the IFR is consulting on further detail in relation to liquidity expectations.

What are we consulting on?

1.4 The IFR is proposing to establish a risk-based liquidity approach for clubs in the English Football League and the National League. Consistent with the Licensing Guidance, this framework does not impose a single liquidity requirement uniformly across all clubs but will reflect the unique financial circumstances and risk profile of each club.[7]

1.5 Under the proposed approach, the IFR will set a liquidity expectation on an annual basis for each club that considers:

a. A baseline starting liquidity level for all clubs

b. A risk-adjusted component (higher, medium or lower) that increases expectations for clubs presenting higher levels of risk

c. A club's individual circumstances

[5] Chapter 2, Licensing Guidance, pgs. 13-14.
[6] Chapter 2, 2.28, Licensing Guidance, pg. 18.
[7] Chapter 2, 2.33, Licensing Guidance, pg. 18.

Table 1: EFL and National League Risk-Based Liquidity Expectation

Risk Profile	Baseline	Risk Adjusted Component	Qualifying Liquidity	Timeframe
Higher	1 Month's Wages	5 Months' Operating Losses	2/3 must be met with cash, Gilts, Treasuries or MMFs held in the club's name. 1/3 can be met through a portion of committed but unencumbered future transfer receivables.	Incremental build up over three years (1/3 a year) to 2030
Medium	1 Month's Wages	2 Months' Operating Losses		
Lower	1 Month's Wages	Nil		

1.6 For the purposes of calculating the risk-based liquidity expectation set out in Table 1, the following definitions shall apply:

a. Wages: Forecast cash expenditure relating to player and non-player wages and salaries and associated employment costs, as reflected in the club's submitted financial plan. The baseline amount shall be calculated by reference to one month's average forecast cash expenditure on wages over the forecast season.

b. Operating Losses: Monthly average forecast net operating cash outflows of the club as reflected in its submitted financial plan, calculated by reference to forecast operating cash receipts and payments over the forecast season. The calculation shall exclude non-cash accounting items and shall be determined on a cashflow basis. Where a club has immaterial cash losses or positive cash flow from operating activities, a proxy may be introduced to ensure the risk adjusted component is scaled accordingly.

1.7 Both components shall be calculated on a forward-looking basis using the forecast submitted in the clubs submitted financial plan, subject to any adjustments considered necessary by the IFR.

1.8 In developing the proposed approach, the IFR has sought to balance the need to improve clubs' financial soundness with its duties to act proportionately. The proposals are designed to ensure that clubs are not required to hold more liquidity than is justified by the risks they present, helping to minimise unnecessary constraints on funds that could otherwise support investment in the club. This is reflected by:

a. The baseline level of 1 month's wages, which is materially below what would be considered best practice in other industries (typically 3-9 months'

operating costs). This provides a minimum safeguard to ensure that clubs can meet one of their most significant recurring cash commitments.

b. The adoption of a risk-adjusted approach above the baseline level (the 'risk-adjusted component') is to reflect the unique financial circumstances of each club. The use of operating losses ensures that clubs expected to consume more cash through their operations than they generate in income will hold additional liquidity in line with their risk profile.

c. The IFR's approach to qualifying liquidity (see below) prioritises the most reliable and readily accessible forms of liquidity, whilst also allowing a degree of flexibility to reflect the different funding models across clubs.

1.9 The IFR's risk modelling will be guided by the risk factors set out in 2.12 of the IFR's Licensing Guidance: business model, liquidity and cashflow, solvency and debt, and governance. In applying those factors, the IFR may consider a range of indicators, including the following indicators of low risk and whether clubs:

a. derive sufficient income to cover operating costs

b. do not generate large negative cashflows or are not experiencing cash flow pressures

c. prefund forecast cash losses from operating activities

d. have limited reliance on frequent owner funding injections

e. do not have large and/or growing non-strategic external debt

f. are not exposed via debt instruments to covenants that if triggered would impose an immediate and material cash pressure on the club

g. operate with limited encumbrance of assets and future income streams

h. proactively work to manage financial risk through robust financial planning and the use of scenario analysis and contingency planning to guide the implementation of meaningful risk mitigants

i. do not have contingent liabilities that if crystalised, could lead to financial distress

1.10 The risk adjusted component (i.e. 2 months or 5 months of operating losses) is a starting position. The IFR may adjust this where individual club circumstances indicate that a higher or lower liquidity amount would be appropriate, including where changes in its risk profile, wages or operating cash losses justify an adjustment. If clubs reduce their risk profile, this will reduce their liquidity expectation.

1.11 The IFR will monitor clubs' compliance through financial reporting and will complete regular sample-based reviews.

Premier League Clubs

1.12 The proposed approach is focused initially on clubs in the English Football League and National League. The IFR recognises that Premier League clubs generally present different risk profiles relative to clubs in other divisions. The evidence provided by the SotG report suggests that liquidity risks are currently less acute in Premier League. Premier League clubs also have greater access to commercial financing and are likely to have better stress recovery actions in place.

1.13 Therefore, the IFR is not proposing to apply the concept of starting liquidity expectations to Premier League clubs at this stage. All Premier League clubs will still be subject to an IFR risk assessment and some Premier League clubs may be required to hold additional liquid assets, compared to their current position, to reflect their unique circumstances.

1.14 Where a club is promoted to the Premier League, the IFR will consider the implications of promotion, recognising the potential changes to its revenues, expenditure and overall financial risk profile. If a club held liquid assets to reflect IFR expectations when in the Championship, we would expect it to at least maintain those on promotion to the Premier League.

1.15 Clubs relegated to the Championship may face significant changes in their financial circumstances. We recognise the challenge of building up liquidity reserves at the same time as managing the financial stresses of relegation. We will consider transitional arrangements, on a club-by-club basis, taking a club's risk profile into account.

1.16 The IFR recognises that all clubs are also required to follow league rules, which may reduce their financial risk. Compliance with league rules will not automatically mean that clubs meet their appropriate financial resources requirement.[8]

1.17 The IFR's approach to Premier League clubs will be reviewed in 2028, alongside the IFR's wider review of the framework as a whole.

Qualifying Liquidity

1.18 A club's liquidity expectation will only be satisfiable through specific 'Qualifying Liquidity' (see Table 1). The liquid assets that the IFR considers appropriate to count towards a club's specific liquidity expectation represent a sub-set of the

[8] Chapter 2, 2.11, Licensing Guidance, pg. 13.

IFR's broader liquid asset definition.[9] This is designed to establish the most dependable and reliable resources that will be genuinely usable when a stress takes hold.

1.19 The IFR would expect two thirds of each club's specific liquidity expectation to be met through:

a. Fully unencumbered cash held in a UK based Instant Access Account in the licensed entity's name under the effective control of club officials.

b. Direct ownership of fully unencumbered Gilts, US Treasuries or shares in Money Market Funds held in the licensed entity's name (valued dynamically at mark to market) under the control of club officials. If using such instruments, clubs must consider, test and document the realistic timeframe for conversion to cash and ensure they hold sufficient cash to cover the period of conversion.

1.20 The remaining third could be met as above or satisfied using alternative options set out below:

a. Cash held in UK-based short fixed-term (max 35 days) savings accounts/certificate of deposit in the licensed entity's name under the effective control of club officials and usable on maturity.

b. Recognition of a proportion of the value of future income from player transfer receivables that are contractually committed to the licensed entity falling due in the future and available to be forward factored (i.e. unencumbered, not subject to negative pledge or any other charge). The allowable proportion will be determined with reference to the reliability of the counterparty and tenure of the cashflow.

1.21 References to 'effective control' of club officials, should be interpreted as requiring appropriate governance arrangements, systems and controls that ensure funds are readily accessible to the club without material restrictions (for example, reliance on external consent). Clubs should be able to demonstrate that the relevant funds are genuinely under their independent control.

1.22 Clubs should also note the emphasis and importance placed throughout that resources must be unencumbered to be recognised as 'Qualifying Liquidity'. This emphasis is deliberate in the IFR's design because it ensures that the liquidity reserves clubs build up will genuinely be usable when a stress takes hold.

[9] Chapter 2, 2.29, Licensing Guidance, pg. 18: "Liquid Assets are assets held by the club that can be converted into cash almost immediately and without significant loss of value, including cash, cash equivalents and other highly liquid financial instruments".

1.23 The IFR recognises that some clubs will need to make changes to the way they currently operate. For example:

a. Where a club has entered into financing arrangements that create a fixed or floating charge over its assets, including bank accounts, this may restrict the availability of funds for the purposes of 'Qualifying Liquidity'. Clubs will therefore need to ensure that any bank account holding funds intended to count towards its liquidity expectation are free from such charges.

b. Clubs operating with an overdraft will need to ensure that cash held for the purposes of satisfying the club's liquidity expectation is held either with a different bank, unless the bank who provides the overdraft has formally and contractually waived its right to set-off.

1.24 Where such encumbrances exist, the IFR will engage with clubs on an individual basis to agree a proportionate transitionary timeframe.

1.25 The IFR will not permit the use of undrawn financing facilities (e.g. overdraft, RCF etc) or written commitments from ownership for the purposes of meeting the liquidity expectation. This is because most such facilities or commitments are either contractually revocable or have no contractual basis and are highly likely to be withdrawn should a club enter into a stress. If a club considers it has a facility that is irrevocable, such that it would be available in all likely stress scenarios and wishes for this to be recognised towards the final liquid third of its specific liquidity expectation, it can engage with the IFR to explain and seek agreement on its proposed approach.

1.26 As set out in Guidance, the IFR does not consider unsold players to represent a liquid asset due to the limited ability to realise value outside transfer windows and the inherent volatility in player valuations.[10]

1.27 References to the 'club' for the purposes of assessing 'Qualifying Liquidity' will be interpreted consistently with the IFR's existing reporting perimeter. The IFR, however, retains discretion to identify specific club entities where liquidity should be held.

Transition and implementation

1.28 The IFR is proposing a phased approach, allowing clubs to build liquidity between 2027 (provisional licensing) and 2030 (full licensing).

1.29 This means clubs will have up to three years to incrementally improve their liquidity position and meet the IFR's expectations. The IFR will expect:

[10] Chapter 2, 2.31, IFR Licensing Guidance, pg. 18.

a. one-third of a club's specific liquidity expectation to be met by Summer 2028

b. two-thirds to be met by Summer 2029

c. the full amount met by Summer 2030 and beyond

1.30 The IFR will communicate to each individual club its view of the club's financial risk position and the specific liquidity expectation on an annual basis from Summer 2027. This will include communicating changes that each club could make to reduce its risk position (and by extension its liquidity expectation).

1.31 Clubs will be expected to maintain the applicable minimum liquidity expectation throughout the implementation period and thereafter. Where a club anticipates falling below the applicable minimum, it should engage with the IFR at the earliest opportunity in advance.

1.32 From 2028, the IFR's risk assessment will also consider a club's performance in mandatory stress testing, which clubs will provide through completion of their financial plan. Where the results indicate a material change in a club's risk profile, the IFR may adjust the applicable liquidity expectation. In determining the timeframe for meeting any increased amount, the IFR will consider appropriate transition arrangements.

1.33 The IFR expects to review clubs' risk profiles annually. However, where there is a material change in a club's financial circumstances, the IFR may bring forward its assessment to determine that the club's liquidity expectation remains appropriate.

1.34 Should the IFR have particular concerns about either the current risk position of a club, or a club's ability to meet its expectations by 2030, the IFR will work with the club to agree a faster timeline. If necessary, the IFR will use powers under the Act to impose Discretionary Licensing Conditions, which would formally impose a liquidity requirement, a debt requirement or a reduction in overall cost requirement.

2. Financial Plan Template

Introduction

2.1 The financial plan allows the IFR to assess whether the club will hold and maintain appropriate financial resources (Threshold Requirement). As per the IFR's Licensing Guidance, the financial plan should show the club's expected financial position, financial performance and cash flow. To meet the Threshold Requirement, it should demonstrate that the club is financially sound under normal operating conditions and resilient to adverse scenarios and identified stress tests.

2.2 Clubs are required to act in accordance with their financial plan and update it where there is a material change in circumstances.

2.3 Clubs will be required to submit their first financial plan within the first year of holding a provisional licence. For most clubs, the first financial plan will be submitted in May 2028 and once a year thereafter. The IFR may require earlier or more frequent financial plans, where a club is assessed as higher risk. For submission on 31 May, plans should cover the remainder of the current year and the following two years.[11]

What are we consulting on?

2.4 The IFR consulted on the policy design of the licensing framework in October 2025 and proposed rules and guidance in March 2026. This included seeking views on the IFR's approach to the financial plan Mandatory Licence Condition ('MLC'), the information that clubs are required to submit, and requirements relating to updates and reporting. Final rules and guidance were published on 1 July 2026 and can be found here: Licensing | Independent Football Regulator.

2.5 This consultation is now seeking views on the financial plan template **only** which all clubs will be required to complete to comply with the financial plan MLC.

2.6 The scope of this consultation is limited to the structure and content of the template. It does not cover submission processes, supporting definitions or instructions on how the template should be completed.[12] These will be provided separately and communicated at a later date to support clubs in preparing their financial plans. IFR supervisors will also work with clubs to support

[11] For the purposes of the financial plan, a 'year' is from 1 July to the following 30 June.

[12] For consultation purposes, the template will be issued in Excel format and will not include features such as dropdown lists, formulas, cell locking, or other technical functionality. The final template may be structured differently, and such features may be incorporated into this final version.

implementation and ensure that completing the template is as clear and straightforward as possible.

2.7 The IFR recognises that clubs have existing reporting requirements. In developing this template, the IFR has sought to minimise duplication and reduce administrative burden on clubs by aligning, where appropriate, with existing reporting requirements to assist with clubs' familiarity with the content.

2.8 While the IFR has sought to align where appropriate, competition organisers have different reporting frameworks. As a result, complete alignment across all existing reporting obligation is not always possible and reporting submitted to leagues will not satisfy a club's financial plan MLC to the IFR. This reflects the distinct statutory purpose of the IFR's regulatory regime and the different information required.

3. Licence Transfers

Introduction

3.1 When clubs apply for a provisional licence, the application form states that the company registration number and name provided by the club should be the legal entity that operates the men's professional football team, which is also the entity that holds membership in the relevant competition.

3.2 This is the entity that is awarded the IFR licence, and which is named on the face of that licence.

3.3 Currently, there is no provision in the Football Governance Act or IFR rules that allows the IFR to transfer a licence to a different legal entity within a club's structure. This means that, where a club proposes to change the legal entity operating the relevant team, there is no established process to ensure that the club can continue to hold a licence.

What are we consulting on?

3.4 The IFR recognises that there may be legitimate, but exceptional, circumstances where the licence may need to be transferred between legal entities. This might include routine corporate restructuring or ownership changes.

3.5 The IFR is seeking views on additions to its Licensing Rules and Guidance that would allow it to transfer a licence to a different entity within a club's structure, where it considers it appropriate to do so (see Annex A). This would ensure that, where a club makes legitimate changes to the entity operating the relevant team and continues to comply with its regulatory requirements and meet its existing liabilities, its participation in a regulated competition would not be disrupted.

3.6 Under the proposed approach, a club seeking to make such a change would be required to notify their supervisor ahead of the change occurring. Each case will be assessed on an individual basis in a way that is proportionate to the circumstances, but clubs will be required to submit a minimum set of information to enable the IFR to make an assessment. Supervisors may also request additional information from the club where necessary.

3.7 The IFR may refuse transfer of a licence where it is not satisfied that the new entity would continue to comply with the IFR's licence conditions or wider regulatory regime.

Annex A: Licence Transfers: Proposed Rules and Guidance

Rule (Licensing Rules: Section B1.5 and B1.6)

B1.5 The IFR may, at its sole discretion and following the receipt of a request from a licensed club, transfer that club's licence from one legal entity to another legal entity.

B1.6 Requests must be made in writing and should follow the IFR's guidance where applicable. Should the IFR approve of the transfer, it must provide the licensed club with an updated licence reflecting the transfer.

Guidance (Licensing Guidance: Section 1.32)

Requesting transfer of a licence:

1.32 The IFR recognises that clubs may, in certain circumstances, need to change the legal entity that operates the relevant team. In these circumstances, the IFR can issue an updated licence to that club, reflecting the transfer between legal entities.

1.33 A club must notify the IFR as soon as reasonably practicable if it considers that a change to the legal entity that operates the relevant team is required. Notification must be given ahead of any changes being made.

1.34 To enable the IFR to assess whether to transfer a licence, clubs should provide:

a. details of the proposed legal entity to which the licence is to be transferred and to be named on the updated licence

b. the reason for the proposed change

c. corporate group structure diagram before and after the proposed change

d. evidence that the proposed entity will continue to comply with the licence conditions (Mandatory Licence Conditions ('MLCs'), Threshold Requirements and Additional Duties). This includes any amended MLCs or discretionary licence conditions ('DLCs') that apply to the current entity.

e. details of any assets or liabilities that will remain with, or transfer from, the current legal entity

1.35 The IFR may request additional information it considers necessary to assess the proposed change.

1.36 The IFR will consider each request on a case-by-case basis, considering the circumstances of the club and the proposed arrangements. The IFR will work closely

with clubs to understand the impact of the proposed change and ensure that the new entity is able to continue to meet the requirements of the IFR's regulatory regime.

1.37 Where the IFR transfers a licence, any existing amended MLCs or DLCs applicable to the previous entity will continue to apply. Should the transfer of a licence create new or increase existing risks, the IFR may consider amending MLCs or applying new DLCs. These would be applied in line with the IFR's existing guidance.[13]

1.38 The transfer of a licence should not be used to circumvent the IFR's regulatory regime or avoid compliance with a specific licence condition. The IFR may refuse to transfer a licence where it is not satisfied that the club would continue to comply with the IFR's regulatory regime or where it otherwise suspects that the club is making the request in order to circumvent aspects of the IFR's regime.

1.39 Where a licence needs to be transferred due to change in ownership, this will be considered alongside the IFR's Owners, Directors and Senior Executives (ODSE) regime. Clubs should notify their supervisors where a change in ownership is likely to result in a change to the licensed entity.

[13] See Chapter 1 and 7 of the IFR's Licensing Guidance https://www.footballregulator.org.uk/api/downloads/file/Licensing%20Guidance.pdf