

K LEAGUE

CLUB LICENSING REGULATIONS



KOREA PROFESSIONAL FOOTBALL LEAGUE

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K LEAGUE CLUB LICENSING REGULATIONS

based on the AFC CLUB LICENSING REGULATIONS Edition 2016

PART ONE

Article 1 : TERMS AND DEFINITIONS

Note : Terms in the singular form include the plural form and vice-versa.

Term	Definition
Accounting Policies	The specific principles, bases, conventions, rules and practices adopted by an entity in preparing and presenting its financial statements.
AFC	Asian Football Confederation
AFC Club Licensing Administration System or “CLAS”	An online system (http://clas.afc-link.com) created by the AFC for the Licensor and the Licence Applicant to complete the processes stipulated in the K LEAGUE Club Licensing Manual and the K LEAGUE Club Licensing Regulations.
AFC Club Licensing Manual	Working document which describes the AFC Club Licensing Regulations. The guidelines of the AFC Club Licensing Regulations provide the Licensor and Licence Applicants further understanding into the reasons behind the criteria as well as a standard interpretation of the criteria and assessment process. In relation to the financial criteria in the Regulations, the Manual also provides details on mandatory and minimum requirements.
AFC Club Licensing Regulations	The regulations consisting of five categories of criteria and a Core Process. The requirements of the AFC club licensing regulations must be transferred into a “National Club Licensing Regulations”.
AFC Club Competitions	AFC Champions League, AFC Cup
AFC Stadium Regulation	Working document which describes the requirements to be fulfilled by the clubs with regard to the stadium to be used for AFC club competition matches.
Affiliated Member	Any legal and/or commercial entity according to KFA and/or K LEAGUE Statutes, which is a member of KFA and/or K LEAGUE.

Term	Definition
Agreed-Upon Procedures (AUP)	In an engagement to perform agreed-upon procedures, an auditor is engaged to carry out those procedures of an audit nature to which the auditor and the entity and any appropriate third parties have agreed and to report on factual findings. The recipients of the report must form their own conclusions from the report by the auditor. The report is restricted to those parties that have agreed to the procedures to be performed since others, unaware of the reasons for the procedures, may misinterpret the results.
Amortisation	The systematic allocation of the depreciable amount of an intangible asset over its useful life. For example, for the capitalized direct costs of acquiring a player's registration, the useful life is the contract life.
Annual financial statements	A complete set of financial statements prepared as at the statutory closing date, normally including a balance sheet, profit and loss account, a statement of cash flows and those notes, other statements and explanatory material that are an integral part of the financial statements.
Associate	An entity, including an unincorporated entity such as a partnership, over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.
Assessment process	See Core Process
Audit	<p>The objective of an audit of financial statements is to enable the auditor to express an opinion whether the financial statements are prepared, in all material respect, in accordance with an identified financial reporting framework. The phrases used to express the auditor's opinion are "give a true and fair view" or "present fairly, in all material respects", which are equivalent terms. A similar objective applies to the audit of financial or other information prepared in accordance with appropriate criteria.</p> <p>In an audit engagement, the auditor provides a high but not absolute, level of assurance that the information subject to audit is free of material misstatement. This is expressed positively in the audit report as reasonable assurance.</p>
Budget	The schedules containing an entity's future financial information, based on management's assumptions about events that may occur in the future and possible actions by an entity.
CAS	The independent arbitration tribunal known as the Court of Arbitration for Sport and which is established in Lausanne, Switzerland.
Cash and cash equivalents	Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
Club	A professional club or an amateur club which participates in Leagues or competitions under the auspices of a KFA and/or Korea Professional Football League.

Term	Definition
Club Licensing administration (CLA)	Body or staff within the Licensor that deals with club licensing matters.
Consolidated financial statement	Financial statements of a group presented as those of a single economic company.
Contracted Player	any player who has entered into a written contract of employment with a Club.
Control	The power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
Core Process	Minimum requirements that the Licensor has to put in place for verification of compliance with the criteria described in the regulations as basis for the issuance of a licence to an applicant.
Criteria / Criterion	Requirements to be fulfilled by the Licence Applicant divided into five categories (sporting; infrastructure; personnel and administrative; legal and financial), with each category being split into three grades: A, B, C (mandatory and best practice recommendation).
Deadline for submission of the list of licensed applicants to AFC	The date by which each Licensor must submit to AFC the list of applicants that were granted with a licence by the national decision-making bodies. This date is defined by AFC each year and announced to the Licensors.
Depreciable amount	The cost of an asset, or other amount substituted for cost, less its residual value. Residual value is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful economic life.
Direct costs of acquiring a player's registration	Those payments to third parties for the acquisition of a player's registration, excluding any internal development or other costs. Costs to include:- a) Transfer fee payable for securing the registration; b) Transfer fee levy (if applicable); and c) Other direct costs of obtaining the player's registration (eg. payments to intermediaries for services to the club, legal fees, compensation payments for training and development of young players in accordance with FIFA and/or domestic transfer regulations and other direct costs in connection with the transfer).
Employee benefits	All forms of consideration given by an entity in exchange for service rendered by employees.
Event or condition of major economic importance	An event or condition is of major economic importance if it is considered material to the financial statements of the reporting entity and would require a different (adverse) presentation of the results of the operations, financial position and net assets of the reporting entity if it had occurred during the preceding financial year of interim period.

Term	Definition
FIFA	Federation Internationale de Football Association
Financial year	The financial reporting period ending on the statutory closing date, whether this is a year or not, and which is not an interim period.
Future financial information	Information about the prospective financial effects of future events and possible actions on the entity concerned.
Going concern	A reporting entity is normally viewed as a going concern, that is, as continuing in operation for the foreseeable future. It is assumed that the entity has neither the intention nor the necessity of liquidation, ceasing trading nor seeking protection from creditors pursuant to laws or regulations.
Group	A parent and all its subsidiaries. A parent is an entity that has one or more subsidiaries. A subsidiary is an entity, including an unincorporated entity such as a partnership that is controlled by another entity (known as the parent).
Historic financial information	Information about the financial effects of past events on the entity concerned. Historic financial information is in respect of the financial performance and position prior to the licensing decision.
Independent auditor	An auditor who is independent of the entity, in compliance with the IFAC Code of Ethics for Professional Accountants. For additional information, visit www.ifac.org . The term 'auditor' may also be used when describing related services or assurance engagements other than audits.
Intangible asset	An identifiable non-monetary asset without physical substance, such as the registration of a player.
Interim financial statements	A financial report containing either a complete set of financial statements or a set of condensed financial statements for an interim period.
Interim period	A financial reporting period shorter than a full financial year.
Intermediary	A natural or legal person who, for a fee or free of charge, represents players and/or clubs in negotiations with a view to concluding an employment contract or represents clubs in negotiations with a view to concluding a transfer agreement.
International Financial Reporting Standards ("IFRS")	Standards and Interpretations adopted by the International Accounting Standards Board (IASB). They comprise:– a) International Financial Reporting Standards; b) International Accounting Standards; and c) Interpretations originated by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC).

Term	Definition
International Standards on Auditing (“ISA”)	The International Auditing and Assurance Standards Board (“IAASB”) issues International Standards on Auditing as the standards to be applied by auditors in reporting on historical financial information. According to the IAASB, one of its objectives is ‘establishing high quality auditing standards and guidance for financial statement audits that are generally accepted and recognized by investors, auditors, governments, banking regulators, securities regulators and other key stakeholders across the world’. For additional information about the IAASB and ISA, visit www.ifac.org
International Standards on Review Engagements (ISRE)	The IAASB issues standards applicable to a review of historic financial information. Current ISREs are available from www.ifac.org
International Standards on Related Services (ISRS)	The IAASB issues engagement standard that include the application of agreed-upon procedures to information. Current ISRSs are available from www.ifac.org .
Joint venture	A contractual arrangement whereby two or more parties (the venturers) undertake an economic activity that is subject to joint control. Where an entity included in the consolidation manages jointly with another entity not included in the consolidation an economic activity that other entity (Joint Venture) may be dealt with in the Group accounts.
KFA	Korea Football Association, the governing body of football in Korea Republic.
Korea Professional Football League	The Professional league governing body of Korea Republic which called K LEAGUE
K LEAGUE	The top professional football leagues which are composed of K LEAGUE1 (CLASSIC) and K LEAGUE2(CHALLENGE) under the auspices of Korea Professional Football League
K LEAGUE1 (CLASSIC)	Name of top premier division
K LEAGUE2 (CHALLENGE)	Name of 2nd division
K LEAGUE Club Licensing Manual (Manual)	Working document which describes the K LEAGUE Club Licensing Regulations. The guidelines of the K LEAGUE Club Licensing Regulations provide the Licensor and Licence Applicants further understanding into the reasons behind the criteria as well as a standard interpretation of the criteria and assessment process. In relation to the financial criteria in the Regulations, the Manual also provides details on mandatory and minimum requirements.
K LEAGUE Club Licensing Regulations (Regulations)	The working document which describes the national club licensing system in Korea Republic. It includes all minimum requirements of the AFC club licensing system as well as any specific national particularities and objectives.
K LEAGUE Season	See Season to be licensed
K LEAGUE Season to be Licensed	1st January to 31st December

Term	Definition
Licence	Certificate issued by K LEAGUE confirming fulfilment of all mandatory minimum requirements by the Licensee in order to participate in the K LEAGUE1(CLASSIC) or K LEAGUE2(CHALLENGE) and, if applicable, to enter AFC Club Competition.
Licence applicant	Legal entity fully and solely responsible for the football team participating in national and international club competitions which applies for a licence.
Licensee	Licence applicant which has been granted with a licence by the Licensor.
Licensing Circular	A letter communicated by K LEAGUE to the relevant Clubs at the commencement of the Licensing Process informing them of the relevant timetables, deadlines, Core Process and other pertinent information.
Licensing cycle	See 'Core Process'
Licensing process	Process in which a licence is granted
Licensing season	Season for which a licence has been granted. It starts the day following the deadline for submission of the list of licensing decision by the licensor to AFC and last until the same deadline next year.
Licensor	Body that operates the national licensing system and grants the licence
List of licensing decisions	List submitted by the licensor to AFC containing, among other things, information about the licence applicants that have undergone the licensing process and been granted or refused a licence by the national decision-making bodies in the format established and communicated by AFC.
Management (personnel)	Describes those responsible for the preparation and fair representation of the financial statements and other financial information. Other terms may be appropriate depending on the legal framework in the particular jurisdiction. For example, in some jurisdictions, the appropriate reference may be 'to those charged with governance' (for example, the directors).
Material or Materiality	Omissions or misstatements of items or information are material if they could, individually or collectively, influence the economic decisions of users taken on the basis of the financial information. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances or context. The size or nature of the item, or a combination of both, could be the determining factor.
National accounting practice	The accounting and reporting practices and disclosures required of entities in a particular country.
Parent	An entity that has one or more subsidiaries.

Term	Definition
Recoverable amount	The higher of an asset's fair value less costs to sell and its value in use. 'Fair value less costs to sell' is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. 'Value in use' is the present value of future cash flows expected to be derived from the asset.
Registered member	Any legal entity according to national law and/or national association statutes, which is member of the national association and/or its affiliated league.
Related party	<p>A party is related to an entity if:</p> <ul style="list-style-type: none"> a) Directly, or indirectly through one or more intermediaries, the party : <ul style="list-style-type: none"> i) controls, is controlled by, or is under common control with the entity (this includes parents, subsidiaries and fellow subsidiaries); ii) has an interest in the entity that gives it significant influence over the entity; or iii) has joint control over the entity; b) the party is an associate of the entity; c) the party is a joint venture in which the entity is a venturer; d) the party is a member of the key management personnel of the entity or its parent; e) the party is a close member of the family of any individual referred to in (a) or (d); f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or g) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.
Reporting entity/entities	<p>The registered member and/or company or group which, according to the rules of these regulations, must provide the Licensor with respectively statutory or consolidated financial statements.</p> <p>Please see Article 4.2.2 in this Regulations for further information.</p>
Review	The objective of an engagement to review financial information is to enable an auditor to express a conclusion whether, on the basis of the review, anything has come to the auditor's attention that causes the auditor to believe that the financial information is not prepared, in all material respects, in accordance with an identified financial reporting framework. A review, in contrast to an audit, is not designed to obtain reasonable assurance that the financial information is free from material misstatement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review may bring significant matters affecting the financial information to the auditor's, but it does not provide the evidence that would be required for an audit.

Term	Definition
(Sporting) Season	the period commencing on the date of the first League Match on the fixture list of the League's first team competition and ending on the date of the last
Season to be licensed	See 'Licensing Season'
Significant change	Means an event that is considered material to the documentation previously submitted to the Licensor and that would require a different presentation if it had occurred prior to the submission of the licensing documentation.
Significant influence	The power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.
Stadium	Means the venue for a competition match including, but not limited to, all properties and facilities near to such stadium (for example, offices, hospitality areas, press centres and accreditation centres).
Statutory closing date	The annual accounting reference date of the reporting entity.
Subsequent events	Events or conditions occurring after the licensing decision.
Subsidiary	An entity, including an unincorporated entity such as a partnership that is controlled by another entity (known as the parent).
Supplementary information	If the minimum requirements of criterion F.01 for content and accounting are not met in the audited annual financial statements, additional information must be prepared and submitted by the Licence Applicant. The content and presentation of the supplementary information, if required at all, will vary between Licence Applicants depending on the amount of information already disclosed in the separate audited annual financial statements.
Training facilities	The venue(s) at which a Licence Applicant's registered players undertake football training and/or youth development activities on a regular basis.

In these regulations, the use of the masculine form refers equally to the feminine.

Article 2 : INTRODUCTION – K LEAGUE CLUB LICENSING SYSTEM

The “K LEAGUE Club Licensing Regulations” is a National Club Licensing Regulations for participating in K LEAGUE1(CLASSIC), K LEAGUE2(CHALLENGE) and AFC Club Competitions.

- 2.1 The regulations apply whenever expressly referred to by specific regulations governing club competitions to be played under the auspices of the Korea Professional Football League(hereafter "The League") and the AFC
- 2.2 These regulations govern the rights, duties and responsibilities of all parties involved in the K LEAGUE Club Licensing System and define in particular.
 - a) The minimum requirements to be fulfilled by Clubs
 - b) The license applicant and the license required to enter for participating in K LEAGUE1(CLASSIC), K LEAGUE2(CHALLENGE) and the AFC Club Competitions
 - c) The minimum sporting, infrastructure, personnel and administrative, legal and financial criteria to be fulfilled by a club in order to be granted license by the League.
- 2.3 The AFC Club Licensing Regulations are supplemented by the AFC Club Licensing Manual which provides a standard interpretation of the criteria and assessment process stated in the AFC Club Licensing Regulations.

Article 3 : OBJECTIVES OF THE CLUB LICENSING SYSTEM

- 3.1 The K LEAGUE Club Licensing System has the following objectives:
 - a) safeguarding the credibility and integrity of K LEAGUE1(CLASSIC), K LEAGUE2(CHALLENGE) and AFC Club Competitions
 - b) allowing the development of benchmarking of clubs in financial, sporting, legal, personnel, administrative and infrastructure related criteria in K LEAGUE;
 - c) to promote continuous improvement of the standard of all aspects of football in K LEAGUE and to give continued priority to the training and care of young players in each club;
 - d) Increasing the level and quality of management and organization within clubs;
 - e) Improvement of the economic and financial capability of the Licence Applicants, increasing their transparency and credibility, and placing the necessary importance on the protection of creditors;
 - f) Improvement of clubs sporting infrastructure to provide the various stakeholders with well-equipped and safe stadiums

Article 4 : CRITERIA & SANCTIONS

4.1 CRITERIA

4.1.1. CRITERIA GRADATION

The criteria which the Licence Applicant must comply with in order to obtain the licence are divided into 5 categories:

- a) Sporting criteria;
- b) Infrastructure criteria;
- c) Personnel and Administrative criteria;
- d) Legal criteria;
- e) Financial criteria;

4.1.2. The Criteria outlined in the present Regulations are graded into three (3) separate categories.

This arrangement corresponds with the relevant AFC club licensing regulations.

4.1.3. The criteria described in this K LEAGUE Club Licensing Regulations are graded into A, B and C.

a) “A” criteria – “MANDATORY” :

If the Licence Applicant does not fulfill any A-criteria, then it cannot be granted with a licence to enter the K LEAGUE and/or the AFC Club Competitions.

b) “B” criteria – “MANDATORY” :

If the Licence Applicant does not fulfill any B-criteria, then it is sanctioned as specified by the Licensor but may still receive a licence to enter the K LEAGUE and/or the AFC Club Competitions.

c) “C” criteria – “BEST PRACTICE” :

C-criteria are best practice recommendations. Non-fulfillment of any C-criteria does not lead to any sanction or to the refusal of the licence. Certain C-criteria may become “MANDATORY” criteria at a later stage.

4.1.4 The licensor is free to increase the minimum requirements or to upgrade the criteria established by AFC for the purposes of entering the AFC Club Competitions. The licensor may also introduce additional criteria not included in the AFC Club Licensing Regulations.

4.2 SANCTIONS

4.2.1 The following sanctions may be set up by the First Instance Body (FIB) and/or Appeals Body (AB) for breaches of the K LEAGUE Club Licensing Regulations (such as submission of falsified documents, non-respect of deadlines, sanctions against individual, failure to cooperate with the FIB or the Club Licensing Administration in any way), non-fulfillment of “A” Criteria, or non-fulfillment of “B” Criteria.

- a) Warning
- b) Reprimand
- c) Fine
- d) Match suspension
- e) Ban on taking part in any football-related activity
- f) Extended deadline to fulfill criteria
- g) Obligation to fulfill criteria by certain deadline
- h) Deduction of points
- i) Suspension of personnel
- j) Reports of issues to appropriate bodies within the League
- k) Obligation to submit guarantees and undertakings
- l) Exclusion from competitions
- m) Relegation to a lower division
- n) Withhold grants / prize money
- o) Seek more financial details
- p) Playing a match without spectators
- q) Playing a match on neutral territory
- r) Ban on playing in a particular stadium
- s) Licence review
- t) Licence withdrawal
- u) Transfer ban

4.2.2 Non-fulfillment of “B” Criteria, the sanctions are;

- a) First offence of each criteria, the sanction is a written caution; or
- b) Any bonus payment may be withheld based on level of the violation.

4.2.3 The K LEAGUE Disciplinary code are applicable in respect of violations of the licensing regulations (e.g. submission of falsified documents, sanctions against individuals)

Article 5 : PROCEDURE

5.1. Management of the Club Licensing System

5.1.1. Korea Professional Football League shall be responsible for the Club Licensing System and shall appoint the relevant administrative and decision-making bodies.

5.1.2. The process shall be comprised of submission and self-certification on the part of the Clubs, together with a review, assessment and recommendation by the Club Licensing Administration (hereafter 'CLA') and any external party appointed by the CLA.

5.2 Licensing Process

- 5.2.1. For participation in the K LEAGUE and/or the AFC Club Competitions, Clubs shall undergo the Licensing Process in the Sporting Season immediately preceding the Sporting Season to be licensed.
- 5.2.2. The Clubs are required to undergo the Licensing Process each Sporting Season in order to obtain/renew their License for participation in K LEAGUE1(CLASSIC), K LEAGUE2(CHALLENGE) and, if applicable, AFC Club Competitions.
- 5.2.3. At the beginning of each Licensing Process, the League shall issue a Licensing Circular to the relevant Clubs informing them of the relevant processes, procedures and timelines of the Core Process.

5.3 Development

- 5.3.1. The Club Licensing System is a progressive system designed to provide for continuous improvement.
- 5.3.2. The relevant club licensing bodies have the authority to review the criteria and propose relevant amendments to the present Regulations and/or Manual (if any) to the League for their consideration.
- 5.3.3. The present Regulations and the Manual (if any) may be reviewed from time to time and amended, if necessary, in accordance with the relevant procedures.

5.4 Spot Checks

- 5.4.1. FIFA, AFC, KFA, K LEAGUE and/or its nominated bodies/agencies may, at any time, conduct spots-checks with the Licensors and in the presence of the latter, with the License Applicant/Licensee in order to ensure that its License was correctly awarded at the time of the final and binding decision of the Licensor.
- 5.4.2. FIFA, AFC, KFA, K LEAGUE and/or its nominated bodies/agencies may, at any time, conduct spots-checks with the Licensors to verify that the minimum criteria defined in these Regulations are respected.
- 5.4.3. FIFA, AFC, KFA, K LEAGUE and/or their nominated bodies/agencies may, at any time, to conduct spots-checks with the Licensee to ensure that the criteria defined in these Regulations are continued.
- 5.4.4. The non-observance of the minimum mandatory requirements as defined in these Regulations may result in sanctions according to AFC's recommendations or decisions according to the nature and the gravity of the violations.

5.5 EXCEPTIONS POLICY

5.5.1. The AFC administration may grant an exception to any provisions in these Regulations as set out in Annex 1 for AFC Club Competition only.

5.5.2. The League Administration may grant an exception to any provisions in these Regulations as set out in Annex 2 for K LEAGUE only.

PART TWO

Article 6 : LICENSOR

6.1 PRINCIPLE

- 6.1.1. The bodies through which the League will act with regard to the club licensing system shall be :
- a) the Board for the approval of this Regulations, the exception policy and the delegation requests and any other matter which is not regulated by this regulations;
 - b) the First Instance Body (FIB) and Appeals Body (AB) who acts as the decision making body;
 - c) the Club Licensing Administration (CLA) for the implementation of the K LEAGUE club licensing system;
 - d) specific working groups (e.g. legal working group, financial working group, etc.) composed by specialists delegated by the Licensors, may be set up, to assist the League Administration in the development of the club licensing system;
 - e) the AFC Judicial Bodies for the penalisation of breaches of duties relating to the “AFC Club Licensing Regulations” and certain decisions on the spot check result.
- The AFC Disciplinary Code and the corresponding AFC competition regulations apply.

6.2 DEFINITION

- 6.2.1. The Korea Professional Football League is the Licensor. KFA with the approval of the AFC has delegated the club licensing system to the Korea Professional Football League.
- 6.2.2. The Licensor governs the licensing system, appoints the corresponding licensing bodies and fixes the necessary processes.
- 6.2.3. In particular, the Licensor shall:-
- a) establish at least two decision-making bodies ;
 - b) establish an appropriate licensing administration ;
 - c) set up a catalogue of sanctions ;
 - d) define the Core Process ;
 - e) determine whether a licence can be granted.

6.2.4. EQUAL TREATMENT & CONFIDENTIALITY

- 6.2.4.1. The licensor ensures equal treatment of all licence applicants during the core process.
- 6.2.4.2. The licensor shall guarantee the licence applicants full confidentiality with regard to all information submitted during the licensing process. Anyone involved in the licensing process or appointed by the licensor shall sign a confidentiality agreement before assuming their tasks.

6.3 CLUB LICENSING ADMINISTRATION (CLA)

- 6.3.1. The Licensor establishes an appropriate administration and appoint qualified staff members to administer the licensing process on its behalf.
- 6.3.2. The tasks of the Club Licensing Administration (CLA) include:
- a) preparing, implementing and further developing the Club Licensing System;
 - b) access and administer the AFC CLAS;
 - c) setting the deadlines as required in the Core Process;
 - d) providing administrative support to the decision-making bodies;
 - e) assisting, advising and monitoring the licensees during the season;
 - f) informing the AFC of any event occurring after the licensing decision that constitutes a significant change to the information previously submitted to the licensor (only applies to AFC Club Competition);
 - g) serving as the contact point for and sharing expertise with the licensing applicants, the licensing departments of other AFC Member Associations and with AFC itself.
- 6.3.3. At least one staff member or an external financial adviser must have a financial background and a diploma in accountancy/auditing recognised by the appropriate national body (e.g. national trade association), or must have several years' experience in the above matters (a "recognition of competence").
- 6.3.4. The CLA will report to the FIB any cases where a Licensee fails to maintain the conditions for the issuance of a licence. The CLA may delegate responsibility for aspects of monitoring licenses to other departments with the League or KFA.
- 6.3.5. The CLA will have the power to seek clarification, further documentation and information from the Licence Applicant and can invite the Licence Applicant to provide any further evidence or explanationst. Any such requests are at the discretion of the CLA.
- 6.3.6. The CLA will determine the timetable for the Club Licensing Core Process on an annual basis, taking into consideration the start date of the K LEAGUE and the deadline set by AFC.
- 6.3.7. The CLA will have the power to make recommendations to the FIB on any matter pertaining to the issuance of a Licence, sanctions, withdrawal of licence and/or other related licensing matters.
- 6.3.8. The CLA, and any other advisors requested by the CLA, will have the right to attend meetings of the FIB and the AB. The role of the CLA in these meetings will be to facilitate and this person will have no voting rights.
- 6.3.9. All persons involved in the licensing process must comply with strict confidentiality rules regarding information received during the licensing procedure.

6.4 DECISION-MAKING BODY

6.4.1. The licensor shall establish two decision-making bodies;

- a) First Instance Body (FIB)
- b) Appeals Body (AB)

6.4.2. The decision-making bodies shall be independent from each other. They shall receive administrative support from the licensing administration of the League.

6.4.3. The decision-making bodies will decide whether Licenses should be issued to a Club or not, and have the power to issue a variety of sanctions as described.

6.5 First Instance Body (FIB)

6.5.1. The FIB decides on whether a license should be granted to an applicant on the basis of the documents provided and in accordance with the provisions of the Regulations at the submission deadline set by the licensor and on whether a license shall be withdrawn upon the application of the Licensing Manager.

6.5.2. In the case of a license refusal, the decision must be put in writing and include the reasoning.

6.5.3 The licensor decides on the quorum of the FIB. The quorum must be of minimum three (3) members. The chairman has the casting vote.

6.5.4. The decision must:-

- a) be in writing;
- b) state the reasoning;
- c) include a deadline/time limit;
- d) provide transparency for the involved parties subject to respect of confidentiality (e.g. financial aspects);
- e) include a statement of the rights to appeal.

6.5.5. In case(s) where licence is refused due to submission of documents after the deadline determined by the Licensor and/or due to non-submission of documents required as indicated in the K LEAGUE Club Licensing Regulations and/or K LEAGUE Club Licensing Manual, the decision of the FIB is final and binding and not subjected to appeal.

6.6 APPEALS BODY (AB)

6.6.1. The AB decides on appeals submitted in writing and makes a final and binding decision on whether a license should be granted.

6.6.2. The licensor decides on the quorum of the AB. The quorum must be of minimum three (3) members. The chairman has the casting vote.

6.6.3. Appeals may only be lodged by:-

- a) The Licence Applicant, who received the refusal of the FIB;
- b) The licensee, whose licence has been withdrawn by the FIB; or
- c) The Licensing Manager on behalf of the licensor

6.6.4. The Appeals Body makes its decision based on the decision of the First Instance Body and only based on the evidence provided by the licence applicant or licensor before the FIB. A written request for appeal shall be made by the set deadline.

6.6.4.1. No further evidence or documents can be submitted to the AB.

6.6.5. In the case of a licence refusal, the decision must be put in writing and include the reasoning.

6.6.6. The decision of the AB, in cases of licences related to entry into K LEAGUE, is final and is not subject to appeal.

6.6.7. The decision of the AB, in cases of licences related to entry into the AFC Club Competitions, may be appealed to the Court of Arbitration for Sport (CAS) only and CAS shall be the final appellate authority. In this respect, particular attention must be paid to the relevant deadlines for entering the AFC club competitions.

6.7 REQUIREMENTS OF MEMBERS OF THE DECISION MAKING BODIES

6.7.1. The licensor appoints the members of the FIB and AB. Members will serve for a term of two (2) years and may be re-appointed.

6.7.2. Members of the decision-making bodies are elected or appointed in accordance with KFA and the League statutes and must:

- a) act impartially in the discharge of their duties;
- b) abstain if there is any doubt as to their independence from the licence applicant or if there is a conflict of interest. In this connection, the independence of a member may not be guaranteed if he/she or any member of his/her family (spouse, child, parent or sibling) is a member, shareholder, business partner, sponsor or consultant of the licence applicant;
- c) not act simultaneously as Licensing Manager;
- d) not belong simultaneously to a judicial statutory body of the licensor;
- e) include at least one qualified lawyer and an auditor holding a qualification recognised by the appropriate National Professional Body.

- 6.7.3. Members of Appeals Body must not belong simultaneously either to the administrative staff to any statutory decision making body or committee of KFA or the League.
- 6.7.4. Members of the decision making bodies must follow the strict confidentiality rules in the same way as members of the LA (cf. 6.3.9). The Licensor defines these rules and the members have to accept them in writing.
- 6.7.5. In addition to the requirements set out in above, the licensor may establish further conditions to be satisfied by members of the licensing bodies (academic, professional training, experience, etc.) to ensure that they perform their functions to high professional standards.
- 6.7.6. The decision-making bodies must operate according to principles of natural justice and must as a minimum define:
- a) deadlines (e.g. submission deadline, etc.)
 - b) safeguards of the principle of equal treatment
 - c) representation (e.g. legal representation, etc.)
 - d) the right to be heard (e.g. convocation, hearing)
 - e) official language (if applicable)
 - f) time limit for requests (e.g. calculation, compliance, interruption, extension)
 - g) time limit for appeal
 - h) effects of appeal (e.g. no delaying effect)
 - i) type of evidence requested
 - j) burden of proof (e.g. licence applicant has burden of proof)
 - k) decision (e.g. in writing with reasoning, etc.)
 - l) grounds for complaints
 - m) content and form of pleading
 - n) deliberation/hearings
 - o) cost of procedure/administrative fee/deposit

Article 7 : LICENSE APPLICANT AND LICENSE

7.1 INTRODUCTION

- 7.1.1. This chapter defines the license to enter the K LEAGUE and/or the AFC club competitions and the legal entity that must apply for the license.
- 7.1.2. The legal entity applying for a license is called the license applicant. Once the license applicant has been granted with a license by the licensor it becomes a licensee. For the purpose of this

chapter, only the term license applicant is used.

7.2 PRINCIPLE OF LICENCE APPLICANT

7.2.1. The license applicant is defined only as a football club as being the legal entity fully responsible for the football team participating in national and international club competitions and which is either:-

- a) Any legal entity according to national law, KFA statutes and the League statutes which is member of KFA and Korea Professional Football League (hereinafter: registered member), or
- b) has a contractual relationship with a registered member (hereinafter : football company)

7.2.2. AFC Club Competition :

The membership and/or the contractual relationship for the purpose of participating in the AFC club competition must have lasted at the start of the licensing process at least two consecutive years. Any alteration to club's legal form or company structure (including, changing its headquarters, name, club colours, or transferring stake holdings between different clubs/entities) in order to facilitate its qualification on sporting merit and/or its receipt of a licence is deemed as an interruption of membership or contractual relationship (if any) within the meaning of this provision.

7.2.3. Only a registered member or football company can apply for / receive a license. Natural persons may not apply for / receive a license

7.2.4. The license applicant is fully responsible for the participation in national and international football competitions as well as for the fulfilment of the club licensing criteria.

7.2.5. The license applicant is, in particular, responsible for ensuring the following:-

- a) That all players are registered with KFA and/or its affiliated league and, if professional players, that they have a written contract with either the registered member or the football company (in accordance with the FIFA, KFA and K LEAGUE's related Regulations);
- b) That all the compensation paid to the players arising from contractual or legal obligations and all the revenues arising from gate receipts are accounted for in the books of either the registered member or the football company;
- c) That the license applicant is fully responsible for the football team composed of registered players participating in national and international competitions;
- d) That the licensor is provided with all necessary information and/or documents relevant to proving that the licensing obligations are fulfilled, as these obligations relate to the sporting,

infrastructure, personnel and administrative, legal and financial criteria.

- e) That the licensor is provided with information on the reporting entity/entities in respect of which sporting, infrastructure, personnel and administrative, legal and financial information are required to be provided. In turn, the licensor must assess whether, in respect of each license applicant, the selected reporting entity/entities is appropriate for club licensing purposes.
- f) Any event occurring after the submission of the licensing documentation to the licensor representing a significant change to the information previously submitted must be promptly notified to the licensor
- g) that all documents and/or evidences that are provided to the Licensor must be submitted via the AFC Club Licensing Administration System (<https://clas.afc-link.com>) by the submission deadline announced in the Core Process;
- h) that, in using the AFC Club Licensing Administration System (CLAS), only those legally authorised by the Licence Applicant to submit documents to the League is given access to the Club Administrator's account.

7.3 LICENSE

7.3.1. PRINCIPLE

7.3.1.1. Licences must be issued according to the provisions of the K LEAGUE Club Licensing Regulations. The following license will be awarded:

- a) AFC License – Grant admission to play in the AFC club competitions and K LEAGUE
- b) K LEAGUE License – Grant admission to play in K LEAGUE only

7.3.1.2. The Licensor must issue an invitation to the Licence Applicants concerned to apply for a licence punctually and in writing. The club applying for a licence (i.e. Licence Applicant) must submit a written application to the Licensor. In this application, the Licence Applicant must, in particular, declare that it will fulfill the obligations of the licensing system.

7.3.1.3. Only Licence Applicants which fulfill the criteria set out in the K LEAGUE Club Licensing Regulations at the deadlines defined by the Licensor and the AFC and which have qualified on the basis of their sporting results may enter and participate in the K LEAGUE and/or the AFC Club Competitions of the coming season, provided all other requirements in the relevant competition regulations have been met.

7.3.1.4. A license expires without prior notice:-

- a) at the end of the season for which it was issued for;
- b) on the dissolution of the division in question.

7.3.1.5. A licence cannot be transferred.

- 7.3.1.6. A license may be withdrawn during a season by AFC or the Licensor's Decision making body if:–
- a) any of the conditions for the issuing of a licence are not satisfied; or
 - b) the licensee violates any of its obligation under the K LEAGUE Club Licensing Regulations.

7.3.1.7. As soon as a licence withdrawal is envisaged, the Korea Professional Football League must inform the AFC Administration accordingly.

7.3.1.8. If a Licence Applicant has its licence withdrawn, a decision concerning the elimination of the Licence Applicant from the current AFC competition in question must be made by the AFC Judicial Bodies.

7.3.1.9. AFC reserves the right to sanction a club or eliminate a club from the future AFC club competitions based on the applicable AFC Club licensing regulations and AFC Disciplinary Code.

The League reserves the right to sanction a Club or eliminate a Club from future K LEAGUE based on the applicable Regulations and K LEAGUE Disciplinary Code.

7.4 ADMISSION TO AFC CLUB COMPETITION

7.4.1. PRINCIPLE

7.4.1.1. The Licence Applicant must further fulfill all the requirements according to the relevant AFC club competition regulations to be admitted to the AFC club competition.

7.4.1.2. The admission process falls under the sole jurisdiction of AFC and its competent bodies (AFC Entry Control Body, etc.).

7.4.1.3. The competent bodies of AFC make the final decision regarding the admission of a Licence Applicant to participate in any AFC club competition.

7.4.1.4. Such decisions are subject to all the statutes-based jurisdiction of AFC including the Court of Arbitration for Sport in Lausanne as ordinary court of arbitration (Art 61 of AFC Statutes).

7.4.2. Extraordinary Application of the Club Licensing System for Entering AFC Club Competitions

7.4.2.1. If a club qualifies for an AFC Club Competition on sporting merit but has not undergone any licensing process at all or has undergone a licensing process which is lesser/not equivalent to the one applicable for top division clubs, because it belongs to a division other than the top division, KFA and/or the League may on behalf of the club request an extraordinary application of the Club Licensing System in accordance with Annex 3.

7.4.2.2. In practice, if a club who plays in a division other than K LEAGUE is the winner of the main domestic cup (ex. FA Cup), the extraordinary application may be applied to the club.

7.4.2.3. Based on such an extraordinary application, AFC may grant special permission to enter the corresponding AFC club competition, which only applies to that specific applicant and for the season in question.

7.5 ADMISSION TO K LEAGUE

7.5.1. PRINCIPLE

7.5.1.1. In principle, all clubs must obtain a Licence before they can be admitted to the K LEAGUE. In addition, the Licence Applicant must further fulfill all the requirements according to the relevant K LEAGUE regulations.

7.5.1.2. Notwithstanding Article 7.5.1.1, the League may allow clubs / football companies to participate in case of failure to obtain a Licence. However, clubs will be subjected to further sanctions including fines and/or deduction of points.

7.6 ADMISSION TO K LEAGUE : CLUB LICENSING FOR NEWLY AFFILIATED CLUBS

7.6.1. PRINCIPLE

7.6.1.1. Clubs / football companies who have become a new affiliated member (including potential newly of the Korea Professional Football League must undergo the K LEAGUE Club Licensing system in accordance with Annex 4.

Article 8 : CORE PROCESS

8.1 INTRODUCTION

This chapter defines the assessment process (hereafter "core process") of the club licensing system.

8.1.1. PRINCIPLE

8.1.1.1. The Core Process describes the procedures to be followed by the Licensor in order to control the issuance of a licence to a Licence Applicant. The Core Process is also for Licence Applicants to perform self-assessment and for the Licensor and the AFC to verify that quality standards have been fulfilled according to the criteria described in this Regulations.

8.1.1.2. The Core Process defines the procedures for the verification of the criteria described in this regulations (sporting criteria, infrastructure criteria, personnel and administrative criteria, legal criteria and financial criteria,) and thus to control the issuance of a licence to a Licence Applicant.

8.1.1.3. AFC CLUB COMPETITION :

The Core Process shall start at the deadline defined by the Licensor and shall end with the submission of the list of licensing decisions to the AFC Administration within the deadline communicated by AFC.

8.1.1.4. K LEAGUE :

The Core Process shall start at the deadline defined by the Licensor and shall end with the submission of the licensing decisions to the respective License Applicants by the deadline set by the Licensor.

8.1.1.5. The core process is aimed at:-

- a) Helping the licensor in establishing an appropriate and efficient licensing process according to its needs and organisation;
- b) Agreeing on the main requirements that the licensor has to comply with to issue the license, necessary for entering AFC club competitions and K LEAGUE.
- c) Ensuring that the decision on the granting of a club license is made by an independent body.
- d) Ensuring that the decision-making bodies receive adequate support from the licensing administration of the licensor.

8.1.1.6. The core process must, as a minimum, include the following information and consist of the following key steps :-

- a) Distribution of the licensing documentation to the license applicants;
- b) Deadlines for submission and submission of the licensing documentation to the licensor in order to prove compliance with the licensing criteria;

- c) The procedure with regard to the assessment of the documentation by the licensing administration (e.g. review by persons involved, inspections, site visits)
- d) Submission of the written representation letter to the licensor.
- e) Assessment by the decision-making bodies in accordance to the procedure with regard to the decision making.
- f) Submission of the list of licensing decisions to the AFC Administration.

8.1.1.7. The Licensor must submit to AFC the list of licensed applicants within the deadline communicated by AFC. Submission of the list of licensed applicants to AFC is done by October 30 of the year preceding the season to be licensed at the latest.

8.1.1.8. It is the duty of the clubs / Licence Applicant to prove the fulfillment of the criteria necessary for the granting of the Licence and the truthfulness of the declarations made and the documentation produced. The burden of proof lies with the Licence Applicant.

8.1.1.9. The deadline and submission date must be strictly adhered to. The Club Licensing Administration is responsible to determine all deadlines and submission dates. It is the responsibility of the Licence Applicant to ensure that all original forms, supporting documents and necessary evidences are sent in good time and reach the CLA on or before the set deadline. Proof of submission is not proof of receipt.

Should the CLA not receive the forms, documents and evidences by the deadline, the Licence Applicant shall be considered to have not submitted these documents.

8.1.1.10. The Core Process has been set in three (3) different phases for clarity purposes:

- a) Application phase: covers the procedures for the licence application stage and lead up to the decision making process;
- b) Decision making phase: details the decision-making process including any possible appeals;
- c) Compliance phase: highlights how compliance will be monitored throughout the period of the licence.

8.2 PROCESS & PROCEDURES

8.2.1. The CLA will determine the timetable for the Core Process taking into consideration the deadline set by AFC for admission to AFC Club Competitions.

8.2.2. The Licensor defines the assessment methods based on Regulations and Manual

8.2.3. Key steps in the annual timetable are shown below:

Step	Requirements	Deadline
1	The Club Licensing Administration invites Clubs to notify Korea Professional Football League in writing of their intention to apply for a License.	Further notice via circular
2	The Licensing Applicants notifies the Licensing Manager of its intention to apply for a License (Please use an attached form)	
3	The Licensing Administration produces and distributes the K LEAGUE Club Licensing Templates to License Applicants	
4	Between 14 Apr and 17 Aug, the Licence Applicants completes the documents providing the required evidence for each criteria as necessary (Questionnaires, templates, etc). These documents must be submitted online via the AFC Club Licensing Administration system (https://clas.afc-link.com). No documents will be accepted via hardcopy and/or hand-delivered and/or email.	
5	The Licensing Administration reviews the submitted documentation for all criteria and prepares written feedback to each License Applicant advising on further information being required or existing documentation being amended/rectified.	
6	The License Applicant re-submits documentation following advice of Licensing Administration	
7	Licensing Administration to conduct inspection	
8	The Licence Administration prepares report on each K LEAGUE Licence Application for the First Instance Body (FIB) and submits documentation to FIB	
9	The FIB reviews the K LEAGUE Licence Applications and decides on grant/refusal of the AFC and/or K LEAGUE License. Written decision is sent to each License Applicant	
10	Unsuccessful License Applicants appeal the FIB Decision in writing to the Licensing Administration setting out reasons for appeal within 7 days of the FIB Decision	
11	AB reviews appeals and decides on cases of Appeal. Written decision is sent to the Appellant	
12	The Licensing Administration informs AFC of the Licenses granted and refused	

8.3 ASSESSMENT PROCEDURE

The Licensor defines the assessment methods based on the Regulations and Manual.

8.4 LANGUAGES

Unless otherwise allowed by these Regulations, all documents, information and evidences provided by the Licence Applicant for each criteria must be submitted in Korean and/or English. Other languages are legally translated into English. It is the responsibility of the Licence Applicant to ensure that the legal translation is done.

PART THREE

Article 9 : SPORTING CRITERIA

9.1 OBJECTIVES

The objectives of the Sporting Criteria are for Licence Applicants to:

- a) ensure top quality football players are being developed and produced continuously;
- b) establish progressive development structures with clear pathways;
- c) design and implement club-specific, quality-driven youth development programmes;
- d) provide elite player technical education, supported by football related education and supplementary academic education for youth players;
- e) provide comprehensive medical support services for all players;
- f) ensure that qualified personnel are engaged in the development and management of elite footballers.

9.2 CRITERIA

S.01 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
PLAYER DEVELOPMENT STRUCTURES	A	A
<ol style="list-style-type: none"> 1. The licence applicant must establish clear Player Development Structures with: <ol style="list-style-type: none"> a) clear outlines on club philosophy, playing style and implementable programmes; b) establishment of age group squads; c) clear and progressive player pathways; d) full allocation of resources to establish, maintain and enhance such structures. 2. This structures shall include: <ol style="list-style-type: none"> a) at least three (3) age group squads below the first team; b) at least two (2) of the above squads must be Under 15 (U15) and Under 18 (U18); c) each squad must have a minimum of 18 players to prepare a team ready for participation in an age-group or open competition; d) all squads and the players must be within the licensee's legal entity or affiliated to its legal entity; e) within each squad, specific tailor-made programmes must be drawn up and managed by the relevant experts (coaches, trainers, physiotherapist, nutritionist etc). 3. The squads must participate in official competitions organized by KFA and/or the LEAGUE at the national and/or regional level. 4. The relevant age group competitions should be organized by KFA and/or K LEAGUE at the national and/or regional levels. This shall include youth leagues, reserve leagues or domestic/local senior leagues. 		

Supplementary information for Clubs and MAs on Criteria S.01

Clubs along with Member Associations should plan and organize youth competitions at both the National and Regional levels to ensure that players, coaches, referees and administrators receive the required experiences and platform for their development.

An extended youth league competition will ensure that there is a continuous, progressive pathway for all the above personnel through a structured, age group competition tier that provides the minimum required number of high level matches.

Domestic age group competitions should be organized in alignment with Regional Youth Championships, AFC Qualifiers & Finals Under 16 & Under 19 (U16 & U19) as well as FIFA Under 17 & Under 20 (U17 & U20 World Cups). Detailed references should be made to the FIFA and AFC Competition Calendars.

S.02 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
YOUTH DEVELOPMENT PROGRAMMES (YDP)	A	A
<p>1. The licensee applicant must:</p> <ul style="list-style-type: none"> a) design and implement club-specific, quality-driven youth development programmes; b) provide qualified coaching staff for talented players; c) provide supporting football related education; d) provide supplementary academic education support for youth players. <p>2. The YDP shall include but not limited to the following:</p> <ul style="list-style-type: none"> a) club's objectives; b) club's player development philosophy; c) football education programme for the different age groups with specific contents managed, delivered and reviewed by the relevant personnel to develop talented players in these key areas: <ul style="list-style-type: none"> • technical • tactical • physical • mental d) non-football educational programmes; e) review and feedback processes to evaluate players' performance. <p>3. The YDP contents shall:</p> <ul style="list-style-type: none"> a) cover the years in between each age category team (recommended – two years apart in between age group squads); b) be progressive and seamless, providing consistency and continuity; c) be reviewed regularly by the Head of Youth Development and other relevant personnel to ensure that the contents are relevant and in keeping with trends of the game. 		

4. Personnel involved in the YDP should be made aware of existing National Policies on Child Protection, Labour Laws and Youth Players Protection Laws as promulgated by the Government, KFA, the LEAGUE, AFC and FIFA to protect young players.
5. The License applicant must show its commitment and support for mandatory and complementary total education of their players in the YDP through the introduction of the following provisions:
 - a) ensure that every youth player registered in its YDP have to attend and complete the mandatory school education pathways according to national laws and;
 - b) is not prevented from continuing his non-football education (further academic and/or professional education);
 - c) full medical support services for all players are provided at no or minimal cost (preventive, diagnosis, treatment, rehabilitation, full recovery and any other relevant services to ensure players can undertake and/or continue their role as high performance athletes).
6. The License applicant shall provide:
 - a) organization chart for player development structures and pathways;
 - b) annual training plans and technical development scheme for the specific youth teams prepared by their Head of Youth Development and/or Technical Director;
 - c) list of qualified personnel involved in the player development structures (technical, medical, administrative etc.) with the required minimum qualifications;
 - d) infrastructure and facilities for player development (training and match facilities, gymnasium, recreation hall, classrooms, dormitory, etc);
 - e) financial resources (budget allocation, contribution by licence applicant).

S.03 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
MEDICAL SUPPORT SERVICES FOR CONTRACTED PLAYERS	A	A
1. The Licence Applicants shall provide all players registered in the club with full access to medical support services. These shall include, but not limited to the following: <ol style="list-style-type: none"> a) yearly medical examination including cardio vascular screening for all its players eligible to play for its first squad; b) comprehensive medical insurance coverage for contracted players. 		

S.04 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
MEDICAL SUPPORT SERVICES FOR CONTRACTED COACHING STAFF	B	B
1. The Licence Applicants shall provide all coaching staff registered in the club with full access to medical support services. These shall include, but not limited to the following: <ol style="list-style-type: none"> a) yearly medical examination including cardio vascular screening for all its head coach and coaches engaged in a technical capacity with the club's first team b) comprehensive medical insurance coverage for contracted coaching staff. 		
2. For the purpose of this criterion, the term 'Coaching Staff' includes the following persons: <ul style="list-style-type: none"> • Head Coach, Coaches, GK Coach and Physical Coach 		

S.05 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
GRASSROOTS PROGRAMMES	B	B
<ol style="list-style-type: none"> Children below 13 years old shall be included in the Grassroots and/or Corporate Social Responsibilities (CSR) programmes. The Licence Applicant shall engage children from within the community and organize regular festivals/events to provide equal playing opportunities. The activity must involve at least 40 children playing in a regulation-sized football pitch divided into 4 mini pitches playing a 5 versus 5 game. Grassroots football activities shall be in line with the AFC philosophy for children aged 6 to 12 years old. These can be done in collaboration with the MA's relevant department, Ministry of Education, partners or such other stakeholders. Reference can be made to the AFC Grassroots Framework Policy document. 		

S.06 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
EDUCATIONAL PROGRAMMES	B	B
<ol style="list-style-type: none"> The licence Applicant must ensure that players and all technical coaching staff of at least the first squad have attended a session or an event related to: <ol style="list-style-type: none"> Sports Integrity matters; FIFA Laws of the Game; doping Control; other topics as required by the AFC / K LEAGUE. These sessions or events must be provided either by the License Applicant, KFA, the League or a third party in collaboration with the License Applicant / KFA and/or the League, during the year prior to the season to be licensed. <p>This criterion is fulfilled if the License Applicant can provide evidence that these persons have attended the session or event.</p>		

S.07 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
CORPORATE SOCIAL RESPONSIBILITY (CSR) PROGRAMMES	C	C
<ol style="list-style-type: none"> The Licence Applicant to establish strategies and implementation programmes to promote the Club, the game and to address current issues in football and society. Support should be provided for initiatives and campaigns to implement strategies and programmes as promulgated by either the License Applicant, KFA, the League, AFC and FIFA. Such programmes connects and create links with the community which will facilitate the following: <ol style="list-style-type: none"> establishment and enlargement of their fan base; creation of a pool of volunteers; organization of grassroots football activities, initiatives and events for and within the community; creation of strong links with the community; creation of a market base for branding, merchandising, sponsors and commercial partners. 		

S.08 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
CLUB YOUTH ACADEMY	C	C
The Licence Applicant to establish a Club Youth Academy with the required infrastructure and facilities for the implementation of their YDP.		

S.09 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
RACIAL EQUALITY PRACTICE	C	C
The Licence Applicant to establish a policy to tackle racism in football.		

Article 10 : INFRASTRUCTURE CRITERIA

10.1 OBJECTIVES

The objectives of the infrastructure criteria are that:

- a) licence applicants have a stadium or playing K LEAGUE and/or AFC Club Competition matches with adequate facilities for teams & officials, spectators, VIPs, media representatives and broadcasting & commercial partners.
- b) licence applicants have suitable training facilities for their players to help them improve their technical skills.

10.2 CRITERIA

I.01 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
APPROVED STADIUMS FOR COMPETITIONS	A	A
<ol style="list-style-type: none"> 1. The licence applicant must have a stadium available to play the K LEAGUE and the AFC Club Competitions. The licence applicant either: <ol style="list-style-type: none"> a) owns the stadium; or b) can provide a written contract with the owner of the stadium it will use. This contract must guarantee the use of the stadium for the K LEAGUE and/or AFC matches for the coming season, for which the licence applicant qualifies in sporting terms. 2. The stadia must meet the requirements expressly referred to by the: <ol style="list-style-type: none"> a) AFC / K LEAGUE Stadium Regulations; and respective b) AFC Club Competition / K LEAGUE Regulations/Manual. 3. The stadium must be approved by the League or Local Licensor located in the same city where the licensee is based. If the stadia is not located in the licensee's base city, a justifiable reason should be provided. 		

I.02 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
STADIUM – SAFETY CERTIFICATION	A	A
<p>The stadium must be certified for safety. The certification is defined according to national/local law and must include provisions related to safety. If such law does not exist, the licensor shall establish the content of the stadium certificate and the procedure in close cooperation with the appropriate body/bodies (e.g. local security authorities, the local hospital, fire brigade, police, etc.)</p> <p>The certificate must provide at least the following information:</p> <ul style="list-style-type: none"> a) safety status of the stadium structure and building fitness; b) compliance statement regarding the safety/security regulations of the competent civil authority; c) approval of the entire stadium capacity (individual seats, terraces and total number). <p>The certificate issued by the appropriate body must not be older than two (2) years at the beginning of the relevant AFC Club Competition / K LEAGUE season.</p>		

I.03 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
STADIUM – APPROVED EVACUATION PLAN	A	A
<ol style="list-style-type: none"> 1. The appropriate body (e.g. safety and security authority, competent civil authority or other qualified and approved firms, etc.) approves the evacuation plan which ensures that the whole stadium can be emptied in a case of emergency according to the applicable national law. 2. If such law does not exist, the licensor establishes the content of the evacuation plan, including an evacuation time and the approval body, in close cooperation with the appropriate civil body (e.g. local security authorities, the local hospital, fire brigade, police, etc.) 3. A colour coded floor plan diagram showing the possible evacuation routes should be prominently displayed in the stadium. 4. The Security Officer, stewards and club & stadium employees shall be briefed on the evacuation plan. 		

I.04 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
TRAINING FACILITIES – AVAILABILITY	A	A
<p>The license applicant must have training facilities available throughout the year. The license applicant either:</p> <ul style="list-style-type: none"> a) Owns the training facilities; or b) Can provide a written contract with the owner of the training facilities. <p>This contract must guarantee the use of the training facilities for the license season, by all teams of the license applicant.</p>		

I.05 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
STADIUM – SAFETY	B	B

In accordance with the national law, provisions for safety shall be made.

If no such law exists, the licensor shall define and implement at least the following provisions:

- all parts of the stadium and its stands, including entrances, exits, stairways, doors, passages, roofs, all public and private areas and rooms, etc. must comply with the safety standards;
- all public passages and stairways in the spectator areas must be painted in a bright colour (e.g. yellow), as must all gates leading from the spectator areas into the playing area, and all exit doors and gates leading out of the stadium;
- all public passages, corridors, stairs, doors, gates, etc. shall be kept free of any obstructions that could impede the free flow of spectators during an event;
- all exit doors and gates in the stadium, and all gates leading from the spectator areas into the playing area, must open outwards away from the spectators, and must remain unlocked while spectators are in the stadium. Each and every such door and gate must be attended at all times by a specially appointed steward, to guard against abuse and ensure immediate escape routes in the event of any emergency evacuation. In order to prevent illegal entry or intrusion, these doors and gates may be fitted with a locking device, which may be operated simply and quickly by anyone from within. Under no circumstances must they be locked with a key during the time that spectators are in the stadium;
- in order to protect those on the field or in other parts of the stadium from lightning strikes, the stadium should be equipped with the appropriate safety devices;
- it is essential that event holders and stadium safety/security authorities are capable of communicating with spectators inside and outside the stadium by means of a sufficiently powerful and reliable public address system (loudspeakers) and/or by a scoreboard and/or a video screen;
- a safety and security strategy covering all aspects of the organisation of a football match, such as ticket distribution system, screening of spectators, segregation strategy, crowd dispersal strategy, medical service, measures taken in case of fire, loss of power supply, or other emergency.

I.06 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
TRAINING FACILITIES FOR PLAYER DEVELOPMENT – MINIMUM INFRASTRUCTURE	B	B

As a minimum, the infrastructure of the training facilities for Player Development must include:

- outdoor training facilities;
- indoor training facilities;
- dressing rooms;
- medical room(s) or direct access to first aid at the training site.

I.07 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
STADIUM – GROUND RULES	B	B

Each stadium must have stadium ground rules and affix them to the stadium visible to the spectators. These rules must provide information on at least the following:

- a) admission rights;
- b) abandonment or postponement of events;
- c) description of prohibitions and penalties, such as entering the field of play, throwing objects, use of foul or abusive language, racist behaviour, etc;
- d) restrictions with regard to smoking, alcohol, fireworks, banners, etc;
- e) seating rules;
- f) causes for ejection from the ground;
- g) risk analysis specific to the stadium.

I.08 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
STADIUM – SPECTATOR WITH DISABILITIES	B	B

The licensor shall set up requirements to accommodate disabled spectators and accompanying persons safely and comfortably.

I.09 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
STADIUM – SIGNPOSTING AND DIRECTIONS	C	C

1. All public direction signs inside and outside the stadium must be presented in internationally understandable pictographic language.
2. Clear, comprehensive signposting must be provided at the stadium approaches and around, and throughout the stadium to point the way to the different sectors.
3. Information on the tickets must correlate with the signpost information provided, both inside and outside the stadium. Tickets must clearly identify the location of the seats for which they have been issued.
4. Colour coding of tickets will assist the entry process, and retained ticket stubs must contain information which will guide spectators once they are inside. Large-scale wall maps must be provided for the guidance of spectators.

Article 11 : PERSONNEL AND ADMINISTRATIVE CRITERIA

11.1 OBJECTIVES

The objectives of the personnel and administrative criteria are that:

- a) Licence Applicants are managed in a professional manner;
- b) Licence Applicants have well-educated, qualified and skilled specialists with know-how and experience;
- c) the players of the first and other teams are trained by qualified coaches and supported by the necessary staff.

11.2 CRITERIA

P.01 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
CLUB SECRETARIAT	A	A
<ol style="list-style-type: none"> 1. The Licence Applicant must have available office space to run its administration. 2. The office(s) shall be sufficiently spacious with the required minimum infrastructure including phone, fax and email. 3. The Licence Applicant must have appointed sufficient number of skilled secretarial staff according to its needs to run its daily business. It must also ensure that its office is open to communicate with the licensor and the public. 		

P.02 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
GENERAL MANAGER / CEO	A	A
<ol style="list-style-type: none"> 1. The Licence Applicant must have appointed a General Manager being responsible for running its daily business (operative matters). 2. The appointment must have been done by the appropriate body (e.g. Executive Board) of the licence applicant. 		

P.03 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
FINANCE OFFICER	A	A
<ol style="list-style-type: none"> 1. The Licence Applicant must have appointed a Finance Officer being responsible for its financial matters. 2. The Finance Officer must hold as a minimum of one of the following qualifications: <ol style="list-style-type: none"> a) a diploma of certified public accountant; or b) a diploma of qualified auditor; or c) a “recognition of competence” issued by the licensor based on practical experience in financial matters of at least 3 years. 		

P.04 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
SECURITY OFFICER	A	A
<ol style="list-style-type: none"> 1. The Licence Applicant must have appointed a Security Officer being responsible for safety and security matters. 2. The Security Officer must hold as a minimum of one of the following qualifications: <ol style="list-style-type: none"> a) a certificate as policeman or security person according to national law, or; b) a safety and security diploma based on a specific course issued by the League or by a state recognised organisation, or; c) a “recognition of competence” approved by licensor, which is based on the participation in specific safety and security course of the League and at least one (1) year experience in such matters. 		

P.05 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
MEDIA OFFICER	A	A
<ol style="list-style-type: none"> 1. The Licence Applicant must have appointed a Media Officer being responsible for media matters. 2. The Media Officer must hold as a minimum one of the following qualifications: <ol style="list-style-type: none"> a) diploma in journalism; b) concluded a media officer education course provided by the League or an organisation recognised by the League; c) a “recognition of competence” approved by the Licensor, which requires at least one (1) year experience in such matters. 		

P.06 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
MEDICAL DOCTOR	A	A
<ol style="list-style-type: none"> 1. The Licence Applicant must have appointed at least one doctor who is responsible for medical support during matches and training as well as for doping prevention. 2. The qualification of the medical doctor must be recognised by the appropriate national health authorities. 3. The medical doctor must be duly registered with KFA and the League. 		

P.07 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
PHYSIOTHERAPIST	A	A

1. The Licence Applicant must have appointed at least one (1) physiotherapist being responsible for medical treatment and massages for the first squad during trainings and matches.
2. The qualification of the physiotherapist must be recognised by the appropriate national health authorities.
3. The physiotherapist must be duly registered with KFA and the League.

P.08 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
FIRST TEAM HEAD COACH	A	A

1. The Licence Applicant must appoint a Head Coach responsible for all football technical matters of the first squad. Additionally he may be involved with the reserve/developmental squads in the club.
2. The Head Coach must:
 - a) Hold at least the Minimum Coaching Requirements (MCR) as stipulated by the AFC for AFC club competitions. The current MCR is benchmarked at the AFC "P" Coaching Certificate for AFC.
 - b) Head Coach for K LEAGUE must possess a minimum AFC "P" Coaching Certificate.
 - c) hold a Recognition of Experience and Current Competence (RECC) issued by AFC in compliance with the RECC regulations for cases where the Head Coach of the first team does not have the required certification as defined under (a) above or;
 - d) already have started the required education course, recognized by AFC, to achieve the required diploma as defined under (a) above.
3. The Head Coach must be duly registered with KFA and the League, and undertaken by the appropriate body of the Licence Applicant.

P.09 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
ASSISTANT COACH OF FIRST SQUAD	A	A
<p>1. The Licence Applicant must appoint an Assistant Coach assisting the Head Coach in all football technical matters of the first squad and additionally he may coach the reserve/developmental squads in the club.</p> <p>2. The Assistant Coach must:</p> <ul style="list-style-type: none"> a) hold at least the Minimum Coaching Requirements (MCR) as stipulated by AFC. The current MCR is benchmarked at the AFC 'A' Coaching Certificate or its equivalence recognised and approved by KFA; b) hold a Recognition of Experience and Current Competence (RECC) issued by AFC in compliance with the RECC regulations for cases where the Assistant Coach of the first team does not have the required certification as defined under (a) above or; c) already have started the required education course, recognized by AFC, to achieve the required diploma as defined under (a) above. <p>3. The Assistant Coach must be duly registered with KFA and the League, and undertaken by the appropriate body of the Licence Applicant.</p>		

P.10 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
HEAD OF YOUTH DEVELOPMENT	A	A
<p>1. The Licence Applicant must appoint a Head of Youth Development (HYD) responsible for managing and implementing all aspects of youth development matters including the Youth Development Programme (YDP).</p> <p>2. The Head of the Youth Development must:</p> <ul style="list-style-type: none"> a) hold at least the AFC 'A' Coaching Certificate or its equivalence recognised and approved by KFA; b) already have started the required education course, recognized by AFC, to achieve the required diploma as defined under (a) above; c) have specific youth coaching experience and/or supplementary certification/qualification related to coaching and managing young players; d) have strong management and administration skills to ensure the efficient implementation of the programme, activities, roles and duties in collaboration with other relevant personnel. <p>3. The HYD must be duly registered with KFA, and undertaken by the appropriate body of the Licence Applicant.</p>		

P.11 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
YOUTH COACHES	A	A
<ol style="list-style-type: none"> 1. The Licence Applicant must have appointed a Youth Coach responsible for all football matters for each youth squad. 2. At least one (1) Youth Coach must: <ol style="list-style-type: none"> a) hold at least AFC 'B' Coaching certificate or its equivalence recognised and approved by KFA; b) have specific youth coaching experience and/or supplementary certification/qualification related to coaching and managing young players; c) have strong competencies to ensure the efficient implementation of the technical programme to develop elite youth players in collaboration with other relevant personnel. 3. The other youth coaches must hold the minimum qualification as defined by KFA which shall not be below an AFC 'C' Coaching certificate or its equivalence recognised and approved by AFC. 4. The Youth Coaches must be duly registered with KFA, and undertaken by the appropriate body of the Licence Applicant. 		

P.12 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
SAFETY AND SECURITY ORGANISATION – STEWARDING	A	A
<ol style="list-style-type: none"> 1. The Licence Applicant must have engaged qualified stewards to ensure safety and security at home matches. For this purpose, it must: <ol style="list-style-type: none"> a) employ the stewards; or b) conclude a written contract with the stadium owner providing the stewards; or an external security company providing stewards. 		

P.13 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
RIGHTS, RESPONSIBILITIES AND DUTIES	A	A
<ol style="list-style-type: none"> 1. The rights, responsibilities and duties of the License Applicant's staff members described in P.01 to P.12 must be defined in writing. 		

P.14 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
DUTY OF REPLACEMENT DURING THE LICENSING SEASON	A	A
<p>1. If a function defined in criteria P.01 to P.12 becomes vacant during the licensing season, the licensee must ensure that, within a period of a maximum of sixty (60) days, the function is taken over by someone who holds the required qualification.</p> <p>2. In the event that a function becomes vacant due to illness or accident, the licensor may grant an extension to the sixty (60) day period only if reasonably satisfied that the person concerned is still medically unfit to resume duties.</p> <p>3. The occurrence of vacancy and replacement must be notified to the licensor within seven (7) working days of the respective event.</p>		

P.15 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
DUTY TO NOTIFY SIGNIFICANT CHANGES	A	A
<p>Any event occurring after the submission of the licensing documentation to the licensor representing a significant change compared to the information previously submitted and related to criteria P.01 to P.13, must be notified to the licensor within seven (7) working days of the event.</p>		

P.16 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
LEGAL ADVISOR	C	C
<p>1. It is recommended that the Licence Applicant appoint a legal advisor (full time or part time) who is responsible to handle all legal matters in the licence applicant's activities.</p> <p>2. The legal advisor shall have the necessary legal qualifications.</p>		

P.17 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
CLUB TECHNICAL DIRECTOR	C	C
<p>1. It is recommended that the License Applicant employ a full time or part time Club Technical Director.</p> <p>2. He should have a relevant technical qualification/certification (recommended – minimum AFC ‘A’ Coaching Certificate) and/or supplementary qualities like an extensive playing and work experience at the professional club level, or have been a long serving dedicated member of the club as a player, coach, manager or advisor.</p> <p>3. He must have strong management skills, visionary and lead the technical development of the club.</p> <p>4. He shall be responsible for but not limited to the following:</p> <ul style="list-style-type: none"> a) establish and/or implement Club Philosophy; b) establish Youth and Player Development Structures and Programmes; c) ensure technical standards are maintained and enhanced; d) monitor and evaluate all technical and developmental programmes; e) talent scouting; f) management of Club’s Youth Academies; g) recruitment and management of coaches and talent scouts; h) management of match analysis processes. 		

P.18 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
FIRST TEAM GOALKEEPER COACH	C	C
<p>1. It is recommended that the License Applicant employ a full time or part time qualified Goalkeeper Coach for the first team.</p> <p>2. He should have the Minimum Coaching Requirements (MCR) as stipulated by the AFC.</p>		

P.19 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
FIRST TEAM FITNESS COACH	C	C
<p>1. It is recommended that the License Applicant employ a full time or part time qualified Fitness Coach for the first team.</p> <p>2. He should have the Minimum Coaching Requirements (MCR) as stipulated by the AFC.</p>		

Article 12 : LEGAL CRITERIA

12.1 INTRODUCTION

The below are the minimum legal criteria to be fulfilled by Licence Applicants.

12.2 CRITERIA

L.01 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
DECLARATION IN RESPECT OF THE PARTICIPATION IN AFC CLUB COMPETITIONS AND K LEAGUE	A	A
<p>1. The Licence Applicant must submit a legally-valid declaration which confirms that:</p> <ul style="list-style-type: none"> a) it recognises as legally-binding the statutes, rules and regulations and decisions of FIFA, AFC, KFA and the League b) it recognises the exclusive jurisdiction of the Court of Arbitration for Sport (domiciled in Lausanne, Switzerland) for any dispute of international dimension and in particular involving FIFA and/or AFC; c) it recognises the prohibition on recourse to ordinary courts under the FIFA and AFC Statutes; d) at national level, it will play in competitions that are recognised and endorsed by KFA (e.g. K LEAGUE, FA Cup); e) at international level, it will participate in competitions recognised and endorsed by the AFC and/or FIFA. To avoid any doubt, this provision does not relate to friendly matches; f) it undertakes to abide by and observe the provisions and conditions of the National Club Licensing Regulations; g) all submitted documents are complete and correct; h) it authorizes the competent licensor to examine documents and seek information and, in the event of any appeal procedure, to seek information from any relevant public authority or private body according to national law; i) it acknowledges that the AFC reserves the right to execute compliance audit at national level reviewing the assessment process and the decision making; and j) it acknowledges that FIFA reserves the right to execute compliance audit at national level to review the assessment process and the decision making in case the AFC fails to implement and execute compliance audit procedure at national level. <p>2. This declaration must be executed by an authorised signatory no more than three (3) months prior to the corresponding deadline for its submission to the licensor.</p>		

L.02 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
LEGAL DOCUMENTS	A	A
<p>1. The Licence Applicant must submit the following documents:</p> <ul style="list-style-type: none"> a) a copy of its current company articles, constitution, statutes or similar-type governing document; b) an extract from a public register (e.g. trade register) which demonstrates that the Licence Applicant is a legal entity which contains the following information: <ul style="list-style-type: none"> i. name; ii. address of headquarters; iii. legal Form; iv. list of authorised signatories; v. type of signature (e.g. individual, collective). c) (if applicable) the agreement between the Licence Applicant and the relevant member which has the right to participate in affiliated competitions of KFA. 		

L.03 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
OWNERSHIP AND CONTROL OF CLUBS	A	A
<p>1. The Licence Applicant must submit a legally-valid declaration outlining the ownership structure and control mechanism of the Club. Such declaration should ensure conformity with the conditions set out below.</p> <p>No natural or legal person involved in the management, administration and/or sporting performance of the club, either directly or indirectly:</p> <ul style="list-style-type: none"> a) holds or deals in the securities or shares that allows such person to exercise decisive influence in the activities of any other club participating in the same competition; b) holds a majority of the shareholders' voting rights of any other club participating in the same competition; c) has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of any other club participating in the same competition; d) is a shareholder and alone controls a majority of the shareholders' voting rights of any other club participating in the same competition pursuant to an agreement entered into with other shareholders of the club in question; e) is a member of any other club participating in the same competition; f) is involved in any capacity whatsoever in the management, administration and/or sporting performance of any other club participating in the same competition; g) has any power whatsoever over the management, administration and/or sporting performance of any other club participating in the same club competition. <p>2. These declarations must be executed by an authorised signatory no more than three (3) months prior to the corresponding deadline for its submission to the licensor.</p>		

L.04 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
WRITTEN CONTRACT WITH PROFESSIONAL PLAYERS	A	A
The professional players of all Licence Applicants must have a written contract with the licence applicant in accordance with the relevant provisions of the FIFA Regulations for the Status and Transfer of Players and shall incorporate all key provisions required by the national law and of FIFA, AFC, KFA and the League.		

L.05 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
DISCIPLINARY PROCEDURE AND CODE OF CONDUCT FOR PLAYERS AND OFFICIALS	C	C
<p>1. It is recommended that the Licence Applicant establishes a legally valid code of conduct for players and officials in compliance with the national law, the Statutes and/or regulations of FIFA, the AFC, KFA and the Korea Professional Football League</p> <p>2. The code of conduct should be supplemented by a legally-valid disciplinary regulation under which the infringement of the code of conduct, club rules, club regulations, and club decisions shall be prosecuted and sanctions may be applied.</p>		

Article 13 : FINANCIAL CRITERIA

13.1 INTRODUCTION

The financial criteria relate to:

- a) historic financial information about a club's financial performance and position; and
- b) future financial information about a club's future prospects.

To facilitate the implementation of the financial criteria, historic financial information may be prepared on the basis of national accounting practice requirements.

13.2 REPORTING PERIOD AND FORMAT

For further information on mandatory reporting period and minimum requirement on the format of reporting and accounting as well as detailed explanation of each of the criteria below, please refer to Chapter 6 of the AFC Club Licensing Manual.

13.3 CRITERIA

Historic financial information

F.01 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
ANNUAL FINANCIAL STATEMENTS – AUDITED	A	A
<ol style="list-style-type: none"> Regardless of the legal structure of the Licence Applicant, annual financial statements based on the local legislation for incorporated companies shall be prepared and audited by independent auditor. The annual financial statement must consist of: <ol style="list-style-type: none"> a balance sheet; a profit and loss account; a cash flow statement; notes, comprising a summary of significant accounting policies; other explanatory notes; and a financial review by management. The annual financial statements shall meet the minimum disclosure requirements and accounting principles defined by the AFC Club Licensing Manual. If the audited annual financial statements meet the minimum disclosure requirements and accounting principles defined by the AFC Club Licensing Manual, then no further supplementary information has to be provided. If the audited annual financial statements do not meet the minimum disclosure requirements and accounting principles defined by the AFC Club Licensing Manual, then supplementary information must be prepared by the Licence Applicant and assessed by the auditor. 		

F.02 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD – REVIEWED	A	A
<ol style="list-style-type: none"> If the statutory closing date of the licence applicant is more than six (6) months before the deadline for submission of the list of licensed clubs to AFC, then the Licence Applicant shall prepare and submit additional financial statements covering the interim period. If the financial statements for the interim period are prepared and submitted, they should cover the interim period up to a date within six (6) months preceding the deadline for submission of the list of licensed clubs to AFC and must be reviewed or audited by an independent auditor. The interim financial statements shall meet the minimum disclosure requirements and accounting principles defined by the AFC Club Licensing Manual. 		

F.03 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
NO PAYABLES OVERDUE TOWARDS FOOTBALL CLUBS ARISING FROM TRANSFER ACTIVITIES	A	A
The Licence Applicant must prove that it has no payables towards football clubs arising from transfer activities as at 30 June preceding the season to be licensed, unless by the following 31 August they have been fully settled, deferred by mutual agreement with the creditor or are subject to a not obviously unfounded dispute submitted to a competent authority.		

F.04 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
NO PAYABLES OVERDUE TOWARDS EMPLOYEES AND SOCIAL / TAX AUTHORITIES	A	A
<p>1. The licence applicant must prove that, in respect of contractual and legal obligations with its current and former employees it has no payables overdue towards employees and social/tax authorities as at 30 June preceding the season to be licensed, unless by the following 31 August they have been fully settled, deferred by mutual agreement with the creditor or are subject to a not obviously unfounded dispute submitted to a competent authority.</p> <p>2. The term “employees” shall include but not limited to:</p> <ul style="list-style-type: none"> a) all professional players according to the applicable FIFA Regulations on the Status and Transfer of Players; and b) the administrative, technical, medical and security staff specified in the AFC Club Licensing Regulations and/or the applicable K LEAGUE Regulations 		

F.05 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
WRITTEN REPRESENTATIONS PRIOR TO THE LICENSING DECISION	A	A
<p>1. Within seven (7) days prior to the start of the period in which the licensing decision is to be made by the First Instance Body, the Licence Applicant must make written representations to the licensor.</p> <p>2. The written representations shall state whether or not any events or conditions of major economic importance have occurred, that may have an adverse impact on the Licence Applicant’s financial position since the balance sheet date of the preceding audited annual financial statements or reviewed interim financial statements (if applicable).</p>		

FUTURE FINANCIAL INFORMATION

F.06 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
FUTURE FINANCIAL INFORMATION	A	A
<ol style="list-style-type: none"> The Licence Applicant must prepare and submit future financial information in order to demonstrate to the licensor its ability to continue as a going concern until the end of the licence season if it has breached any of the indicators defined in paragraph 2 below. If a Licence Applicant exhibits any of the conditions described by indicator 1 or 2, it is considered in breach of the indicator: <ol style="list-style-type: none"> Indicator 1: Going concern The auditor's report in respect of the annual or interim financial statements submitted in accordance with F.01 and F.02 includes an emphasis of matter or a qualified opinion/conclusion in respect of going concern. Indicator 2: Negative equity The annual financial statements (including, where required, the supplementary information) submitted in accordance with F.01 disclose a net liabilities position that has deteriorated relative to the comparative figure contained in the previous year's annual financial statements, or the interim financial statements submitted in accordance with F.02 (including, where required, the supplementary information) disclose a net liabilities position that has deteriorated relative to the comparative figure at the preceding statutory closing date. Future financial information must cover the period commencing immediately after the later of the statutory closing date of the annual financial statements or, if applicable, the balance sheet date of the interim financial statements, and it must cover at least the entire licence season. Future financial information consists of: <ol style="list-style-type: none"> a budgeted profit and loss account, with comparative figures for the immediately preceding financial year and interim period (if applicable); a budgeted cash flow, with comparative figures for the immediately preceding financial year and interim period (if applicable); explanatory notes, including a brief description of each of the significant assumptions (with reference to the relevant aspects of historic financial and other information) that have been used to prepare the budgeted profit and loss account and cash flow statement, as well as of the key risks that may affect the future financial results. Future financial information must be prepared, as a minimum, on a quarterly basis. Future financial information must be prepared on a consistent basis with the audited annual financial statements and follow the same accounting policies as those applied for the preparation of the annual financial statements, except for accounting policy changes made after the date of the most recent annual financial statements that are to be reflected in the next annual financial statements, in which case details must be disclosed. Future financial information must meet the minimum disclosure requirements as set out in the AFC Club Licensing Manual. Additional line items or notes must be included if they provide clarification or if their omission would make the future financial information misleading. Future financial information with the assumptions upon which they are based must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the reporting entity. 		

SUBSEQUENT INFORMATION

Criteria F.07 and F.08 apply to licensees in the time after the licensing decision. Criterion F.07 (Duty to notify subsequent events) applies to all licensees. Criterion F.08 (Duty to update future financial information) only applies to those licensees who exhibited a breach of one or more of the indicators. Both criteria will help to safeguard the continuity of the competitions and will provide the licensor with more transparency and possibility to better assist the clubs during the whole season.

F.07 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
DUTY TO NOTIFY SUBSEQUENT EVENTS	B	B
<p>1. Following the licensing decision by the decision making body, the licensee must promptly notify the licensor in writing about any subsequent events that may cast significant doubt upon the licensee's ability to continue as a going concern until at least the end of the season for which the licence has been granted.</p> <p>2. Compliance with this criterion shall be assessed by the licensor in respect of the following licensing cycle.</p>		

Note: Criteria F.07 apply to licensees after the licensing decision. Criterion F.07 (duty to notify subsequent events) applies to all licensees.

F.08 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
DUTY TO NOTIFY SUBSEQUENT EVENTS	B	B
<p>1. Following the licensing decision by the decision making body, the licensee must promptly notify the licensor in writing about any subsequent events that may cast significant doubt upon the licensee's ability to continue as a going concern until at least the end of the season for which the licence has been granted.</p> <p>2. Compliance with this criterion shall be assessed by the licensor in respect of the following licensing cycle.</p>		

F.09 CRITERIA DESCRIPTION	AFC CRITERIA	K LEAGUE CRITERIA
DUTY TO UPDATE FUTURE FINANCIAL INFORMATION	B	B
<p>1. If the licensee is in breach of one or more of the indicators, then the licensee must prepare and submit an updated version of the future financial information (prepared according to F.06). In addition, the prepared information shall include a comparison of budget to actual figures including explanations of variances. The updated version of the future financial information must be prepared, as a minimum, on a six (6) month basis.</p> <p>2. The updated future financial information shall meet the minimum disclosure requirements defined by the AFC Club Licensing Manual.</p> <p>3. Compliance with this criterion shall be assessed by the licensor in respect of the following licensing cycle.</p>		

Article 14 : FINAL PROVISIONS

13.1 ANNEXES

All annexes to the present regulations form an integral part of these regulations.

13.2 COMPLIANCE AUDITS

13.2.1. AFC and/or Korea Professional Football League reserve the right to, at any time, conduct compliance audits of the licensor and licence applicant/ licensee.

13.2.2. Compliance audits aim to ensure that the licensor, as well as the licence applicant/licensee, have fulfilled their obligations as defined in these regulations and that the licence was correctly awarded at the time of the final decision of the licensor.

13.2.3. For the purpose of compliance audits, in the event of any discrepancy in the interpretation between AFC Club Licensing Regulations and the K LEAGUE Club Licensing Regulations, the AFC Club Licensing Regulations shall be authoritative.

13.3 DISCIPLINARY PROCEDURES

13.3.1. Any breach of these regulations may be penalized by AFC in accordance with the AFC Disciplinary Code.

13.3.2. Any breach of these regulations may be penalized by Korea Professional Football League accordance with the K LEAGUE Disciplinary Code.

13.4 IMPLEMENTING PROVISIONS

13.4.1. The Korea Professional Football League Administration shall take the decisions and adopt, in the form of directives, the detailed provisions necessary for implementing these regulations.

13.5 MATTERS NOT PROVIDED FOR

13.5.1. In the event of any discrepancy in interpretation between the English and the Korean version of the K LEAGUE Club Licensing Regulations, the English version is the authoritative text.

13.5.2. Matters not provided for in these regulations shall be decided by the K LEAGUE Board, whose decisions are final, taking into consideration that decisions made should not be in contradiction with K LEAGUE Statutes, Regulations and the K LEAGUE Club Licensing System.

13.6 RATIFICATION

13.6.1. These regulations were ratified by the K LEAGUE Board at its meeting on 15 January 2018 and came into force immediately.

PART FOUR

ANNEX 1: EXCEPTIONS POLICY FOR AFC CLUB COMPETITIONS

A. PRINCIPLE

1. The AFC CL Administration may, in accordance with Article 5.5.1. grant exceptions on the following matters:
 - a. non-applicability of a minimum requirement concerning the decision-making bodies or process defined in Article 6.4 due to national law or any other reason;
 - b. non-applicability of a minimum requirement concerning the core process defined in Article 8 due to national law or any other reason;
 - c. non-applicability of a minimum assessment procedure defined in Article 8.3 due to national law or any other reason;
 - d. non-applicability of the two-year rule defined in Article 7.2.2 in case of change of legal form or company structure of the Licence Applicant on a case by case basis;
 - e. non-applicability of a certain criterion defined in Part Three, due to national law or any other reason;
 - f. extension of the introduction period for the implementation of a criterion or a category of criterion defined in Part Three.
2. Exceptions related to items a), b), c), e) and f) are granted to Korea Professional Football League and may apply to all clubs which are registered with KFA and which submit a licensing application to enter the AFC Club Competitions. Exceptions related to item d) are granted to the individual club that applies for a licence.
3. In principle, an exception is granted for a period of one season. Under specific circumstances this period may be extended and Korea Professional Football League may be placed on an improvement plan.
4. A renewal of the exception is possible upon a new request.

B. THE PROCESS

1. The AFC CL Administration acts as the first instance decision-making body on exception requests.
2. An exception request must be in writing, clear and well founded.
3. Exceptions related to items defined under A (1) (a, b, c, e and f) must be submitted by Korea Professional Football League to the AFC CL Administration sixty (60) days prior to the start of the core process.

4. Exceptions related to the item defined under A (1) (d) can be submitted at any time. A licensor notified of the reorganisation or restructuring of an affiliated club (e.g. change of legal form, merger of clubs, split of club, liquidation or bankruptcy) is responsible for notifying the AFC CL Administration accordingly as soon as it becomes aware of it.
5. The AFC CL Administration uses the necessary discretion to grant any exception within the limits of these regulations.
6. The status and situation of football within the territory of KFA will be taken into account when granting an exception. This encompasses, for example:
 - a) size of the territory, population, geography, economic background;
 - b) size of KFA (number of clubs, number of registered players and teams, size and quality of the administration of the association, etc.);
 - c) the level of football (professional, semi-professional or amateur clubs);
 - d) status of football as a sport within the territory and its market potential (average attendance, TV market, sponsorship, revenue potential, etc.);
 - e) AFC and FIFA ranking;
 - f) stadium ownership situation (club, city/community, etc.) within the association;
 - g) support (financial and other) from the national, regional and local authorities, including the national sports ministry.
7. The decision will be communicated to KFA. The decision shall be in writing and state the reasoning. After receiving it from KFA, and Korea Professional Football League shall then communicate it to all licence applicants concerned.
8. Appeals can be lodged against decisions made by Korea Professional Football League in writing before the Court of Arbitration for Sport (CAS) in accordance with the relevant provisions laid down in the AFC Statutes.

ANNEX 2: EXCEPTIONS POLICY FOR K LEAGUE

A. Principle

1. This exception policy only applies for the K LEAGUE.
2. The Korea Professional Football League decision making bodies may, in accordance with Article 5.5.2., grant exceptions on the following matters:
 - a) non-applicability of a minimum requirement concerning the core process defined in Article 8 due to national law or any other reason;
 - b) non-applicability of a minimum assessment procedure defined in Article 5.3 due to national law or any other reason;
 - c) non-applicability of a certain criterion defined in PART THREE, due to national law or any other reason;
 - d) extension of the introduction period for the implementation of a criterion or a category of criterion defined in Section II.
3. Exceptions related to items a), b), d) may be granted to all clubs which are registered with KFA and which submit a licensing application to enter the K LEAGUE.
 Exceptions related to item c) are granted to the individual club that applies for a licence.
4. In principle, an exception is granted for a period of one season. Under specific circumstances this period may be extended and the club may be placed on an improvement plan.
5. A renewal of the exception is possible upon a new request.

B. The Process

1. The first instance body is the decision-making body on exception requests.
2. An exception request must be in writing, clear and well founded.
3. Exceptions related to items defined under A (1) (a, b, c, e and f) must be submitted by the Club Licensing Manager to the first instance body sixty (60) days prior to the start of the core process.

4. Exceptions related to the item defined under A (1) (d) can be submitted at any time. The CLM notified of the reorganisation or restructuring of an affiliated club (e.g. change of legal form, merger of clubs, split of club, liquidation or bankruptcy) is responsible for notifying the FIB accordingly as soon as it becomes aware of it.
5. The FIB uses the necessary discretion to grant any exception within the limits of these regulations.
6. The decision will be communicated to the License Applicant. The decision shall be in writing and state the reasoning.
7. Appeals can be lodged against decisions made by the FIB in writing to the AB whose decision is final and binding.

ANNEX 3 – EXTRAORDINARY APPLICATION OF THE CLUB LICENSING SYSTEM FOR AFC CLUB COMPETITIONS

1. The minimum licensing criteria applicable shall be the same as in Part Three of these regulations.
2. Korea Professional Football League must notify the AFC of any potential extraordinary applications in writing latest by 31 August of the year preceding the season to be licensed.
3. The League must provide the criteria for the extraordinary application to the club(s) concerned. They must prepare the club(s) concerned for the extraordinary application procedure.
4. The club(s) concerned must provide the necessary documentary proof to the League. The League will assess the club(s) against the minimum criteria in Part Three of these Regulations.
5. The League shall forward the following (in English) to the AFC by the 30 September of the year preceding the season to be licensed:
 - a) a written petition to the AFC Entry Control Body duly signed and dated by the club requesting it to grant a license to participate in the corresponding AFC Club Competition. Such request must provide:
 - i. the name and address of the club;
 - ii. the identity of any club(s) directly affected by its petition;
 - iii. its full written argument with reference to the relevant regulations;
 - iv. all documentary evidence provided to Korea Professional Football League;
 - b) a recommendation by the Licensor (including the dates and names of the persons that assessed the club);
 - c) any other documents requested by the AFC.
6. If during this extraordinary application procedure any such club is eliminated on sporting merit, the AFC Member Association concerned shall notify the AFC CL Administration immediately, and the procedure is immediately terminated, without further decision. Any such terminated procedure cannot be resumed or restarted at a later stage.

ANNEX 4: EXTRAORDINARY APPLICATION OF THE CLUB LICENSING SYSTEM FOR K LEAGUE

1. The extraordinary application shall only apply to the newly affiliated clubs to enter the K LEAGUE2(CHALLENGE) (2nd Division). The application should only apply for the new club's first season.
2. The minimum criteria applicable for the extraordinary application of the Club Licensing System as specified in Article 7.6 shall be the same as in PART THREE of these regulations. The Club Licensing Administration shall invoke Article 4.6.1
3. The CLA must notify the newly affiliated clubs / or potential newly affiliated clubs of the application in writing of the clubs concerned latest by 30 September of the year preceding the season to be licensed.
4. The CLA shall be responsible for providing the criteria to the club concerned for the assessment for the extraordinary procedure. The CLA must also take immediate action with the club concerned to prepare for the extraordinary procedure.
5. The club concerned must provide the necessary documentary proof by the 31 October of the year preceding the season to be licensed to the Korea Professional Football League CLA that will assess the club against the fixed minimum standards.
6. The decision making bodies (cf Article 6.4) bases its decision on the documentation received and grants license permission to enter the K LEAGUE2(CHALLENGE) (2nd Division), if all the set criteria are fulfilled.



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