

UEFA CLUB FINANCIAL CONTROL BODY
Adjudicatory Chamber

ORDER

in case

AC-03/2019

Fenerbahçe Futbol A.Ş.

Composition of the chamber:

- **J. N. Cunha Rodrigues, Chairman**
- **L. Peila, Vice-chairman**
- **C. W. A. Timmermans, Vice-chairman**
- **C. Flint QC, Member**
- **A. Giersz, Member**

Nyon, 12 June 2020

1. On 19 July 2019, the Adjudicatory Chamber of the UEFA Club Financial Control Body (the “**CFCB**”) took a decision in case AC-03/2019, *Fenerbahçe Futbol A.Ş.* (the “**Decision**”) in accordance with the *Procedural rules governing the UEFA Club Financial Control Body – Edition 2015* (the “**Procedural Rules**”).
2. The CFCB Adjudicatory Chamber found that Fenerbahçe Futbol A.Ş. (“**Fenerbahçe**” or the “**Club**”) failed to comply with the break-even target for the reporting period ending in 2018 in the settlement agreement it entered into with the Chief Investigator of the CFCB Investigatory Chamber (the “**Chief Investigator**”) on 20 May 2016 (the “**Settlement Agreement**”).
3. Against this background, the CFCB Adjudicatory Chamber decided, *inter alia*, to withhold two million Euros (€2,000,000) of revenues from Fenerbahçe that it could earn from its participation in UEFA club competitions during two seasons (i.e. the 2020/21 and 2021/22 seasons).
4. The CFCB Adjudicatory Chamber further decided that the above-mentioned withholding of revenues from UEFA club competitions would be reduced to one million Euro (€1,000,000) if, by 15 October 2019, the following two cumulative conditions (the “**Conditions**”) were fulfilled:
 - a. *The Club will have signed up to the debt restructuring plan with financial institutions if such plan has been agreed; and*
 - b. *The Club will have implemented any new [Turkish Football Federation] financial monitoring regulations if such regulations have been entered into force.*
5. On 15 October 2019, the Club wrote to the Chief Investigator explaining its efforts to satisfy the Conditions. For condition (a), the Club explained that the Turkish Banks Association (“**TBA**”) had announced a debt restructuring plan in Turkish football in January 2019 and that, in July 2019, Trabzonspor, Beşiktaş and Galatasaray signed up to restructuring agreements. The Club explained that it did not sign up to the standard agreement that was proposed to all clubs as it considered that it did not address its current and foreseeable future needs. The Club concluded by admitting that it could have signed the agreement with the TBA but that its objective was to seek a better agreement. For condition (b), the Club explained that financial monitoring regulations of the Turkish Football Federation (“**TFF**”) were approved and entered into force in summer 2019 and that the Club was being assessed by the TFF and its first assessment is ongoing.
6. On 8 November 2019, the CFCB Investigatory Chamber met and considered the Club’s compliance with the Conditions.
7. On 10 December 2019, the Chief Investigator wrote to the Chairman of the CFCB Adjudicatory Chamber expressing his understanding (i) that condition (a) had not been fulfilled as the Club did not sign up, by 15 October 2019, to the debt restructuring plan as proposed by the TBA; and (ii) that condition (b) had been fulfilled.
8. On 17 December 2019, the Chairman of the CFCB Adjudicatory Chamber wrote to the Club informing it about the content of the Chief Investigator’s letter of 10 December 2019 and invited the Club to submit its observations by 13 January 2020.

9. On 13 January 2020, the Club wrote to the Chairman of the CFCB Adjudicatory Chamber confirming that it did not sign up to the debt restructuring plan as proposed by the TBA because it considered the proposed plan to be unfair, unrealistic and not applicable as a solution to the needs of the Club. The Club indicated that, instead, it had taken a different approach by negotiating individually with each financial institution (condition (a)). The Club also reiterated that financial monitoring regulations of the TFF were approved and entered into force in summer 2019 and that the Club was being assessed by the TFF and its first assessment was ongoing (condition (b)).
10. On 6 February 2020, the Chairman of the CFCB Adjudicatory Chamber invited the Chief Investigator to provide any further comments he may have on the observations submitted by the Club on 13 January 2020 and to take a position on whether or not the Conditions were fulfilled.
11. On 12 February 2020, the Chief Investigator wrote to the Chairman of the CFCB Adjudicatory Chamber confirming the conclusions drawn by the CFCB Investigatory Chamber according to which such condition (a) was not fulfilled. The Chief Investigator also confirmed his view that condition (b) was fulfilled.
12. On 21 February 2020, the Chairman of the CFCB Adjudicatory Chamber wrote to the Club and gave it the opportunity to respond to the Chief Investigator's letter of 12 February 2020 by 2 March 2020.
13. On 2 March 2020, the Club wrote to the Chairman of the CFCB Adjudicatory Chamber explaining that it had not concluded an agreement with TBA on its debt restructuring plan. The Club added that it had approached various financial institutions individually and had restructured its debts with *Yapı Kredi Bankası* and *Halk Faktoring* and was in the process of negotiating others with *Aktifbank*, *Denizbank* and *Ziraat Bankası* and expected to reach an agreement with the remaining banks by the end of March 2020.
14. On 16 March 2020, the Chairman of the CFCB Adjudicatory Chamber granted a new deadline to the Club in order to provide the necessary elements confirming that the Club "*has signed up to the debt restructuring plan with financial institutions if such plan has been agreed*" by 30 April 2020.
15. On 30 April 2020, the Club wrote to the Chairman of the CFCB Adjudicatory Chamber and suggested that, due to the current pandemic, it had not been able to finalize its ongoing debt restructuring process with *Aktifbank*, *Denizbank* and *Ziraat Bankası* and requested a two-month extension to its deadline citing the difficulties caused by the COVID-19 pandemic.
16. On 14 May 2020, the Chairman of the CFCB Adjudicatory Chamber, referencing the particular circumstances, provided the Club with a final deadline of 11 June 2020 to provide the CFCB Adjudicatory Chamber with the necessary elements confirming that the Club "*has signed up to the debt restructuring plan with financial institutions if such plan has been agreed*".
17. On 11 June 2020, the Club wrote to the Chairman of the CFCB Adjudicatory Chamber requesting a further extension, this time until the end of August 2020 to complete the debt restructuring. The Club informed that it had mandated *Yapı Kredi Bankası* for the debt restructuring plan of *Yapı Kredi Bankası*, *Denizbank* and *Ziraat Bankası*. The Club attached a letter from *Yapı Kredi Bankası* explaining that, in February 2020, the Club

had mandated *Yapı Kredi Bankası* to negotiate a restructuring of its financial debt and that it was aiming to complete the restructuring by mid-August 2020.

18. On 12 June 2020, the quorum of members required by Article 25(1) of the Procedural Rules being attained, the Adjudicatory Chamber conducted its confidential deliberation through videoconference, in accordance with Article 24(1) of the Procedural Rules and assessed whether or not the Club had fulfilled the Conditions.
19. In particular, the CFCB Adjudicatory Chamber recalls that, according to the Decision, the Conditions were to be fulfilled cumulatively by the Club by 15 October 2019.
20. In this context, the CFCB Adjudicatory Chamber takes into account the Chief Investigator's conclusions that the Club had satisfied condition (b) which required that "*[t]he Club will have implemented any new TFF financial monitoring regulations if such regulations have been entered into force*". Accordingly, the CFCB Adjudicatory Chamber confirms that condition (b) had been duly fulfilled.
21. However, regarding the condition (a) which required that "*[t]he Club will have signed up to the debt restructuring plan with financial institutions if such plan has been agreed*" the CFCB Adjudicatory Chamber accepts the view of the Chief Investigator that the Club had not satisfied the condition (a).
22. The CFCB Adjudicatory Chamber notes that in June 2019, the Club made representations that a debt restructuring process with Turkish banks was progressing well and that it expected it to be completed by the end of June 2019.
23. The CFCB Adjudicatory Chamber sought to encourage the completion of such a debt restructuring and, therefore, the Decision taken in June 2019 imposing a two million Euros (€2,000,000) withholding of revenues expressly incentivised the Club to sign up to the restructuring plan with financial institutions by 15 October 2019 whereupon this withholding could be reduced by 50%.
24. Whilst the Club has confirmed in these proceedings that competing Turkish clubs of Trabzonspor, Beşiktaş and Galatasaray signed up to debt restructuring agreements, in conformity with the restructuring plan, the Club has refused to do so preferring to enter into individual negotiations with its banks.
25. The CFCB Adjudicatory Chamber then gave the Club no fewer than four opportunities to present any observations concerning the fulfilment of condition (a) (*i.e.* the letters of the Chairman of the CFCB Adjudicatory Chamber of 17 December 2019, 21 February 2020, 16 March 2020 and 14 May 2020).
26. The CFCB Adjudicatory Chamber understands the problems connected to the COVID-19 pandemic but notes that the Club's original deadline of 15 October 2019 to fulfil the Conditions elapsed long before the start of the pandemic in Europe.
27. In fact, the CFCB Adjudicatory Chamber extended the 15 October 2019 deadline on two occasions, until 30 April 2020 and 11 June 2020 and still the Club failed to provide confirmation that the condition (a) had been met.
28. Twelve months have now passed since the Club first represented to the CFCB Adjudicatory Chamber that it was about to conclude a debt restructuring plan imminently.

29. In this regard, the Club's latest request for a further extension until the end of August 2020 is rejected.
30. Consequently, the CFCB Adjudicatory Chamber has formed its conviction that the Club has not shown the necessary diligence in order to fulfil the condition (a). The Club has refused to sign up to the restructuring plan agreed by the TBA. Moreover, it has not completed the negotiations with its banks to conclude individual restructuring agreements.
31. The Adjudicatory Chamber therefore concludes that Fenerbahce has failed to satisfy the condition a. set by paragraph 5 of the Operative Part of the Decision.
32. Accordingly, the CFCB Adjudicatory Chamber hereby orders as follows:
1. **The withholding of revenues from UEFA competitions to Fenerbahce of two million Euro (€2,000,000) during the two seasons (i.e. the 2020/21 and 2021/22 seasons)**
 2. **This Order is final.**
 3. **This Order is notified to:**
 - a) **Fenerbahce;**
 - b) **the Football Federation of Turkey;**
 - c) **the CFCB Investigatory Chamber; and**
 - d) **the UEFA Administration.**
33. In accordance with Article 34(2) of the Procedural Rules and Articles 62 and 63 of the *UEFA Statutes*, this Order may be appealed in writing before the Court of Arbitration for Sport. In accordance with Article 62(3) of the *UEFA Statutes*, any such appeal must be made within ten (10) days of receiving this Order.



J.N. Cunha Rodrigues
CFCB Chairman