



FAIR / SQUARE



The Rt Hon Lucy Frazer KC MP  
Secretary of State for Culture, Media and Sport  
100 Parliament Street  
London  
SW1A 2BQ

Copied to:  
The Rt Hon David Cameron  
Secretary of State for Foreign, Commonwealth and Development Affairs

9 April 2024

**SUBJECT: The Football Governance Bill and State Ownership**

Dear Ms Frazer,

The undersigned organisations are writing to you to convey concerns in relation to specific provisions of the Football Governance Bill that was introduced in the House of Commons on 19 March 2024 ([Bill 187](#)).

We welcome the fact the UK government is making efforts to improve the regulation of football and support the stated purpose of the bill, “to establish a new Independent Football Regulator (“the IFR”) and its regulatory regime, with the primary aim of ensuring the long term sustainability and resilience of English football.” We endorse the [detailed recommendations](#) of Fair Game with respect to the bill. Football clubs are valuable social and cultural assets that require protection from individuals or groups who seek to exploit them and the communities they serve for purely financial or political gain.

We are writing to express concerns in relation to clause 37 of the bill, which states that “the IFR must also have regard to the foreign and trade policy objectives” of the UK government in its determinations on whether an individual is suitable to own an English football club. This clause is at odds with the central aim of the bill and significantly undermines the independence of the proposed regulator. State-owned clubs arguably represent the greatest threat to the sustainability, integrity, and vitality of football in England and beyond. The Independent

Football Regulator should be mandated to identify ways of phasing state involvement out of the game. Instead, the Bill will facilitate takeover attempts by foreign states, reduce efforts to hold state-owned clubs accountable, and provide a formal mechanism for any future UK government to apply political pressure to the regulator. We strongly urge the government to remove this clause from the bill.

In March 2023, FairSquare, a signatory to this letter, [wrote](#) to you in response to the publication of the government [White Paper](#) on the regulation of English football. FairSquare expressed concerns that the White Paper did not include any reference to state ownership of football clubs and that its proposed “fitness and propriety test” adjudged suitability for stewardship of a club to be based solely on an individual’s “integrity, honesty, financial soundness, and competence”, and took no account of whether a prospective owner is acting in the political interests of a state. The letter argued that allowing states to own football clubs results in autocratic states exercising their powers in a manner that compromises the integrity of the game and that “their involvement in football leaves the Premier League inextricably entwined with, and exposed to, developments in the UK’s foreign policy.”

The Department of Culture, Media and Sport responded stating that “the regulator will not have the remit to assess the ... suitability of state ownership”. However, the Bill goes further than this. Not only will the IFR not be granted the authority to assess the suitability of state ownership, they will be obliged to consult the UK government in instances where state-owned or controlled entities seek to take ownership of English clubs. This raises the spectre of British foreign policy objectives and priorities overriding the IFR’s mandated role to only allow individuals with the requisite “honesty and integrity” to maintain or assume control of English clubs.

Two specific ongoing cases, detailed below in an annex, illustrate this point. Firstly, the UK government went to substantial lengths to ensure that a consortium controlled by the government of Saudi Arabia were able to assume control of Newcastle United FC, despite the concerns of the Premier League about the takeover. Secondly, apparent UK government engagement on the issue of the Premier League’s efforts to sanction Manchester City FC, which is majority owned and controlled by senior members of the government of the United Arab Emirates (UAE).

Clause 37 of the bill, as currently proposed, would permit and even encourage further state ownership, while allowing governments to use the sport to pursue their own policy goals, at the expense of fans, clubs, and the communities in which they are rooted.

We welcome the fact that the government has introduced legislation to ban foreign state ownership of media organisations, [stating](#) that it is, “targeting foreign state investment in a narrow but important part of the UK market to safeguard the health of our democracy”. It is noteworthy that this decision was taken in response to the proposed takeover of The Telegraph newspaper by a consortium led by the UAE government. In view of the social, political, economic and cultural importance of football clubs, we urge you to afford them similar protections from foreign state investment.

Yours sincerely,

ALQST for Human Rights  
FairSquare  
NUFC Against Sportswashing

## ANNEX

### Saudi Arabia and Newcastle United

In April 2023, evidence emerged that lent significant credence to media reports that the UK government had already made a significant intervention in the affairs of the Premier League and had attempted to influence the PL's application of its rules on ownership due to the involvement of its strategic ally, Saudi Arabia.

- In April 2023, The Athletic published an investigation into the UK government's involvement in the takeover of Newcastle United FC by Saudi Arabia's Public Investment Fund (PIF). In response to right to information requests, the UK government provided 59 pages of internal emails showing how very senior officials applied considerable pressure to support the deal, which had foundered after the PIF-led consortium [withdrew its bid](#) having apparently been advised that it would fail the Premier League's owners and directors test. One email from the British Ambassador to Saudi Arabia, Neil Crompton, read: "There are a number of ways in which HMG [Her Majesty's Government] can seek to facilitate dialogue with both the PIF and Saudi authorities on this to come up with the assurances the Premier League seek."
- The Daily Mail had previously revealed that Saudi crown prince Mohammed bin Salman had [directly lobbied Boris Johnson](#) over the deal in June 2020. "We expect the English Premier League to reconsider and correct its wrong conclusion" bin Salman apparently wrote to the then British Prime Minister, pointedly noting that if the Premier League did not approve the takeover, there would be consequences for relations between the two countries:

*"The kingdom of Saudi Arabia has opened its doors for the UK's investments in various sectors and initiated a mutually beneficial investment program with large amounts of funding. The EPL's wrong conclusion will unfortunately have a negative impact on both our countries economic and commercial relations."*

- The Guardian had also [revealed](#) that Boris Johnson's minister for investment, Lord Gerry Grimstone, worked for months to encourage the Premier League to approve the takeover, going so far as trying to broker a solution to Saudi Arabia's piracy of the Premier League sport rights.

The takeover was finally completed in October 2021 after the Premier League [stated](#) that they had "received legally binding assurances that the Kingdom of Saudi Arabia will not control Newcastle United Football Club." The statement gave no detail on the content of those assurances nor who gave them. Saudi Arabia's Public Investment Fund was founded by Royal Decree in 1971. It has in its own words "[national strategic responsibilities](#)" and it is chaired by the most powerful member of the Al Saud family, which has governed the country since its creation. In February 2023, lawyers representing the PIF in a court case involving Saudi Arabia's LIV Golf competition in the US described the PIF as "[a sovereign instrumentality](#)" in an effort to secure diplomatic immunity for the PIF governor Yasir Al-Rumayyan, who also serves as the chairman of Newcastle United.

### The United Arab Emirates and Manchester City

As FairSquare highlighted to you in their letter of March 2023, the White Paper rightly identifies that, "English football is currently endangered by the high and growing risk of financial failure among clubs", but made no

reference to the capacity of state-owned clubs to outspend other clubs, disguising the sources of their funds. This poses a specific threat to the integrity of English football, by creating unsustainable inflationary pressures.

Another state-owned club, Manchester City, has been accused by the Premier League of 115 breaches of its financial rules across nine different seasons. Manchester City is part of the City Football Group, which is majority owned and controlled by senior members of the government of the United Arab Emirates. FairSquare is aware that the UK government has refused to release information on Foreign, Commonwealth and Development Office correspondence relating to the Premier League charges against Manchester City, and has stated that release of the information would “prejudice the interests of the UK abroad.” In the context of the UK government’s engagements with the government of Saudi Arabia over the takeover of Newcastle United, this raises further questions about whether the UK government is enabling or assisting foreign governments to pressurise the Premier League on critical issues pertaining to its rules and policies.

The Premier League charges against Manchester City include accusations of failing to disclose accurate financial information, “in particular with respect to its revenue (including sponsorship revenue), its related parties and its operating costs”, and not fully providing managerial remuneration details. Manchester City has won five out of the last six Premier League titles and are the reigning European Champions.