<u>Chelsea FC granted licence to continue</u> <u>operating</u>

- Chelsea FC owner's assets frozen as part of tough action against Putin regime
- Under a new licence the club can continue to operate to fulfil its fixtures
- Government wants to protect football pyramid, fans and other clubs

The licence will allow the club to run a number of football-related activities meaning its fixtures to be fulfilled, its staff and the running costs of its ground can be paid, and so existing ticket holders for Chelsea games can attend matches.

The licence is a safety net to protect the sport, the Premier League, the wider football pyramid down to the grassroots game, loyal fans and other clubs. It will deprive Mr Abramovich of benefiting from his ownership of the club and mean he cannot circumvent UK sanctions.

The Government will keep the licence under constant review and it will work closely with the relevant football authorities and the club to protect it from irreparable damage that would prevent it from competing.

Ambramovich had assets frozen this morning as part of a raft of further <u>sanctions</u> against individuals linked to the Russian regime. Freezing his assets means he cannot benefit from his ownership and make any money from Chelsea.

Culture Secretary Nadine Dorries said:

Putin's attack on Ukraine continues and we are witnessing new levels of evil by the hour. We are now turning the screw on influential oligarchs enabling his regime.

The important measures announced today will clearly have a direct impact on Chelsea FC and its fans but we are working hard to make sure the club and the national game are not unnecessarily harmed.

We have granted the club a licence so it can fulfil its fixtures, pay its staff and existing ticket holders can attend matches. We know football clubs are cultural assets and we are committed to protecting them.

The Treasury, through the Office of Financial Sanctions Implementation (OFSI), issued the <u>general licence</u> which sets out what activities are permitted to continue. It has been introduced to permit the club to continue necessary operations and can be modified if necessary. As with other sanctions, the licence was not discussed with those impacted before a

designation was made.

OFSI is responsible for enforcing the conditions of the licence and it is a criminal offence to fail to comply with the requirements and prohibitions set out.

As well as allowing costs for players and staff to travel to away fixtures, the licence permits the club to host scheduled fixtures at its home stadium alongside other required activity such as catering and security, for the club and training ground to be maintained, and for rates and taxes to be paid.

The following conditions are set out under the licence:

Sale of the club

While the current licence does not permit the sale of the club at this time, the Government is open to a sale of the club and would consider an application for a new licence to allow for a sale. Proceeds from any sale could not go to the sanctioned individual while he is subject to sanctions.

Transfers

Under the current licence the transfer or loan of players in and out of the club is not permitted. This applies to all of Chelsea's teams. Transfers are also not possible at this time in the season anyway because the transfer window is closed.

Matchday tickets

Fans who have already purchased a ticket for a future fixture or have a club season ticket can use their existing tickets or resell them within the boundaries of the law. Under the current licence no new or additional tickets can be purchased. This includes tickets for home matches and tickets bought from the club for away matches.

Matchday catering

The licence permits home ground 'hosting transactions' including stewarding, catering and security but none of the proceeds can go to the designated individual.

Merchandise

The licence does not allow the club to undertake any new revenue raising activity including selling merchandise. The club's physical and online store cannot operate. This restriction does not apply to the sale of existing stock held by third parties such as high street sports retailers.

Champions League and FA Cup

The purpose of the licence is to permit the club to continue with the necessary activity to ensure that it is able to fulfil its upcoming fixtures. As such the licence allows footballing activity and travel to continue which

would permit the club to play European fixtures and the FA Cup.

Notes to editors

- Asset freeze: an asset freeze prevents any UK citizen, or any business in the UK, from dealing with any funds or economic resources which are owned, held or controlled by the designated person and which are held in the UK. It will also prevent funds or economic resources being provided to or for the benefit of the designated person.
- The government welcomed the recommendations of the <u>Fan-led Review</u> and will be providing its full response as soon as possible. As the Culture Secretary set out last week, the response will include a consideration of a revised Owners' and Directors' Test.