

IN THE MATTER OF A PREMIER LEAGUE COMMISSION

B E T W E E N:-

THE PREMIER LEAGUE BOARD

Complainant

– and –

LEICESTER CITY FOOTBALL CLUB

Respondent

SUMMARY OF THE DECISION

The following represents a summary of the Commission's decision in this matter. It is by no means intended to replace the reasoning which is set out in the decision itself. For ease of reference, we adopt in this summary the defined terms set out in the decision.

The PL Complaint

1. The PL issued a complaint against LCFC by which it alleged breaches by LCFC of: (a) the P&S Rules of the EFL for the three-year assessment period for FY24; and (b) the 2024/25 PL Rules in failing to provide to the PL the Club's annual accounts for FY24 as and when requested by the PL. The PL sought an order by which the Commission recommended to the EFL that a sporting sanction of a significant points deduction be imposed in the Championship in the current season; alternatively, in the event that the EFL was unwilling or unable to do accept such recommendation, a substantial fine.

The Club's Defences

2. LCFC advanced a number of defences to the alleged breaches including: (a) the applicable ULT was £105 million and not £83 million; (b) the applicable period of assessment was 36 months and not 37 months; (c) the PL's application of the EFL

Sanctioning Guidance was abusive conduct and therefore anti-competitive and unlawful; (d) the application of a Variable ULT was unfair, oppressive and anti-competitive; (e) the PL's proposed sanctions were disproportionate and discriminatory; (f) any points deduction should be reduced by one point for trend and two points for exceptional cooperation; and (g) the failure to provide the Club's annual accounts for FY24 did not give rise to a breach of the 2024/25 PL Rules and the PL suffered no prejudice in any event.

Applicable ULT

3. LCFC contended that the ULT to be applied to it for FY24 was £105 million by reference to the 2024/25 PL Rules, whereas the PL contended that the applicable ULT was £83 million under the EFL P&S Rules.
4. The Commission has concluded that the applicable ULT was £83 million. On that basis, LCFC's losses exceeded the applicable threshold by a substantial margin.

Assessment Period

5. An issue arose as to whether LCFC's P&S compliance for FY24 should be assessed over a 36-month or a 37-month period, following LCFC's decision to extend its financial year-end during FY23.
6. The Commission has determined that, in the particular factual circumstances of this case, the applicable assessment period is 36 months, with the result that LCFC overspent by £20.8 million above the applicable ULT.

Competition Law Challenges

7. LCFC advanced competition law challenges to the PL's sanctioning approach and to the Variable ULT.
8. The Commission rejects those challenges:
 - 8.1. The sanctioning approach, including the possibility of sanctions taking effect in the EFL and having regard to EFL Sanctioning Guidelines, is neither anti-competitive nor an abuse of dominance, and is a necessary and proportionate measure to achieve the objectives of sanctions.
 - 8.2. The Variable ULT is not a restriction of competition by object or by effect. It reflects structural differences within the football pyramid between the EFL Championship and the Premier League, including materially different revenue and cost structures, and operates as a necessary and proportionate mechanism to manage the financial consequences of movement between those competitions.

Disclosure Breaches

9. The PL alleged that LCFC had committed breaches of its disclosure obligations by

failing to provide its year-end FY24 accounts when requested. For LCFC, it was said that the PL had no power to request such accounts and that, in any event, LCFC acted reasonably in not providing the accounts when requested and the PL suffered no prejudice.

10. The Commission has concluded that LCFC did so breach its disclosure obligations by refusing, without sufficient justification, to provide its FY24 annual accounts. However, the Commission takes the view that those breaches should not be sanctioned separately and do not warrant an aggravation of the sporting sanction to be imposed with respect to the breach of the P&S Rules. Instead, they are taken into account only when assessing LCFC's claim to mitigation for "*exceptional cooperation*".

Nature of Sanction

11. An issue arose as to whether the Commission had the power under the 2024/25 PL Rules to recommend a sporting sanction to the EFL in respect of LCFC's breach of the P&S Rules. The PL contended that such a power was within Section W (Rule 52) of the 2024/25 PL Rules while LCFC argued that the Commission enjoyed no such power and that its powers were limited in this case to the imposition of a fine.
12. The Commission has decided that, pursuant to the powers granted to the Commission under Rule W.52 of the 2024/25 PL Rules, it does have the power to make a recommendation to the EFL as to the sanction that should be imposed by the EFL on LCFC in respect of LCFC's breach of the P&S Rules.
13. The Commission has also concluded that an immediate points deduction in the Championship would be the only effective sanction. Any breach of financial sustainability rules is inherently serious and, in the Commission's view, neither a fine nor a delayed points deduction upon LCFC's return to the Premier League would be an effective sanction.

Quantum of Sanction

14. The Commission recommends to the EFL **an immediate six point deduction** to be applied in the Championship in respect of LCFC's breach of the P&S Rules. This comprises:
 - 14.1. the starting point of seven points based on the percentage overspend; and
 - 14.2. a reduction of one point reflecting LCFC's positive financial trend in FY24 as mitigation.
15. The Commission declined to treat LCFC's alleged overspending in FY23 or its disclosure breaches as aggravating factors warranting an increase in the points deduction.
16. The Commission did not consider that LCFC's conduct in and around the prosecution

of this matter to amount to exceptional cooperation so that, accordingly, the recommended points deduction has not been reduced by way of mitigation.

Substitute Sanction

17. In the event that the EFL is unable or unwilling, for whatever reason, to give effect to the Commission's recommendation, the Commission imposes a financial penalty in the amount of £9.6 million as a substitute sanction. That financial penalty is proposed only in substitution for, and not in addition to, the points deduction. The Commission recognises that, ordinarily, a fine would not be an effective sanction for breaches of the P&S Rules.

Dated: London 3 February 2026