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13 February 2025

Lord Scriven  
House of Lords  
London  
SW1A 0PW

INT2025/01615/DC

Dear Lord Scriven,

I am writing to follow up on the question you raised during the sixth Committee Stage debate on 18 December of the Football Governance Bill. You sought clarification on whether individuals connected to a particular state would be allowed to be an owner of an English football club. The discussion around the suitability of specific owners was raised by several Noble Lords and as such I have placed a copy of this letter in the library of both Houses.

I agree with you that it is absolutely right that clubs have suitable owners. I would like to make it absolutely clear that the purpose of the Owners' and Directors' Test is to ensure that clubs' owners are suitable and act in the best interests of their club, and to keep harmful owners out of the game.

The Regulator's core purpose will be to ensure the financial sustainability of clubs. Which is why the intent of testing owners is also ultimately to ensure those individuals will uphold their club's financial sustainability. Ultimately the Regulator will look to determine that anyone wishing to own a club has sufficient, legitimate finances to do so and there is no evidence that they will act in a way that would jeopardise the financial sustainability of the club.

Regardless of any specific example, crucially, what makes any new individual owner suitable is whether they have passed all three limbs of the test. These are:

- A requirement to submit a business plan covering the operation and funding of the club, and accompanying resources to buy and run it.
- A fitness test, to ensure the individual owner is suitably honest and able to act with integrity, and is suitably financially sound.
- Enhanced due diligence on an owner's source of wealth, to mitigate against the risk of illicit finance.

Turning to your example, I would like to make it clear that all individual owners, whether connected to specific states or not, will be assessed against the same criteria. The Regulator will only consider the suitability of the individual and any activity the individual has been directly involved in. It would not be appropriate for the Regulator to fail or pass any individual based solely on their nationality or their country's legal system.



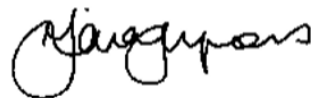
Therefore in the specific instance you have raised, if the individual passes all the relevant limbs of the test and is found suitable, then the test would not debar them from owning a club. However, if the individual did not pass all the relevant limbs, they would be found unsuitable and could not own that club.

Specifically, when assessing fitness, the Regulator is required to consider a number of matters, set out in the Bill. This includes if an individual has had legal (whether civil or criminal), regulatory, or disciplinary action of any kind brought against them. This could, for example, include actions brought over human rights violations. The Regulator also has to consider whether an individual is subject to any sanctions, including under the Global Human Rights Sanctions Regulations 2020, and whether they are prohibited from entering the UK. This does not mean that if an individual has a criminal conviction or had regulatory action taken against them that would automatically make them unsuitable. The matters in the Bill are designed to ensure the Regulator makes consistent, robust, evidence-based assessments in every case.

As noted, the Bill does not set out exhaustive details on every element of the fitness test as to what constitutes a pass or fail. Instead, it empowers the Regulator to make a holistic, context driven assessment, which takes into account all relevant matters. The Regulator, with its expertise and access to information, will be best placed to make this assessment. We expect the Regulator will set out further detail in guidance, which it must consult on.

I thank you again for raising this issue, and I hope my response has given some clarity on this. If you would like to meet ahead of Report Stage, then please do contact my office.

With best wishes,



Baroness Twycross  
**Minister for Gambling**