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The new 'ODSE regime' for English men's football

What to expect and how to prepare

Private and confidential | Norton Rose Fulbright LLP – April 2026



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Overview

Football clubs across the top five tiers of English men's football are set for major changes, as they navigate the requirements of the new Football Governance Act 2025 (the Act) and the new rules and guidance of the Independent Football Regulator (the IFR).

This article focuses in on the expectations for Owners, Directors and Senior Executives (ODSE) of regulated clubs under the Act; and how they can prepare now for the challenge ahead.

Following consultation, the IFR has released detailed rules and guidance for the ODSE regime. These new rules impose significant obligations on clubs, as well as incumbent and prospective owners and senior managers. In its most recent guidance, the IFR has given further information on key features of the new regime to assist clubs, incumbent and prospective owners and senior managers to navigate the new framework.

The parallels between this ODSE regime and other existing regulatory frameworks – notably the Financial Conduct Authority's (FCA) Senior Managers and Certification Regime (SMCR) are apparent. Although the modernisation of football has involved substantial commercial sophistication, subjecting football clubs to a regulatory model akin to that which governs financial institutions marks a significant departure from convention. Clubs now face the substantial task of adapting their governance frameworks to meet the demands of this new regulatory landscape.

In this briefing, we will explain:

1 **Scope of the regime**: who is an '**owner**'?

An 'owner' of a regulated club, is – in broad terms – someone who owns or controls at least 25% of the shares or voting powers in the club (directly or indirectly), can exercise significant influence over its affairs, or is able to appoint or remove its officers.

Existing 'owners' of regulated clubs will be 'grandfathered' into the new regime, though the IFR will have significant new information gathering powers and powers to sanction owners, under the new framework.

There are new notification and approval requirements associated with persons seeking to become an owner of a regulated club. The IFR's guidance explains when notifications should be made (including the judgment as to when there is a 'reasonable prospect'); what applicants must demonstrate to secure approval; and how applications must be submitted.

2 **Scope of the regime**: who is a '**senior manager**'?

'Senior managers' are individuals carrying out a 'senior management function' (an **SMF**) at a Regulated Club. Individuals undertaking one or more of these functions will need to be approved by the IFR. They will have to demonstrate honesty and integrity, financial soundness and the requisite competence.

Taking inspiration from established regulatory regimes – most notably the individual accountability regime for financial services firms, known as the 'SMCR' – there are to be six new SMFs. As with the SMCR, this new framework is established on a 'function over form' principle. Individuals who perform roles which meet the definition of a prescribed senior management function will need to be approved, regardless of their actual job title. Equally, some roles will not – despite the job title including, for example, the word 'director' – need to be approved. Clubs

will need to navigate the new regime with care, to ensure they have accurately mapped the SMFs in-scope of the regime.

3 **New regulatory processes: notifications and applications**

Clubs, owners and senior managers must all navigate new regulatory processes. The IFR has been clear that in many cases, it will seek to apply an individualised, judgment-based assessment of applications. It will be important for applicants to understand not only the specific legal provisions and rules with which applications need to comply, but the optimum approach to regulatory engagement and evidence to secure approval.

4 **Powers in respect of incumbent owners and senior managers**

The IFR can assess and determine the suitability of incumbent owners and senior managers in certain circumstances. In this piece, we consider the guidance on the regulator's expectations of existing owners and senior managers, which should be carefully considered by those currently in these positions, to mitigate the risk of becoming subject to assessment (and possible sanction).

5 **Immediate actions for clubs, owners and senior managers**

Already, the ODSE regime applies to incumbent owners, and senior managers (as of 12 December 2025). The IFR expects that the ODSE regime, and the relevant assessment powers therein, will apply to prospective owners and senior managers from May 2026.

Clubs and relevant individuals need to act fast to ensure compliance with the new regime. We highlight a number of actions that should be readily considered to ensure preparedness with the regime and mitigate the risk of falling short of its requirements, namely:

(a) Mapping senior management functions;

(b) Assessing incumbent SMFs against the fitness criteria;

(c) Conducting gap analyses of existing governance arrangements;

(d) Developing ODSE-specific policies and protocols;

(e) Establishing procedures for ODSE notifications and applications;

(f) Investing in training and awareness; and

(g) Seeking expert assistance.

The IFR has also concluded its consultation on additional guidance on the ODSE regime. In its consultation launched on 17 March 2026 (the **ODSE Amendments Consultation**)[1] the IFR had proposed a small number of changes to the regime to cover temporary appointments of senior managers, where there is an unforeseen

[1] Available at: 1d340cb96228b9906306637d58b2a8fc_CP1 26 ODSE Temporary Appointments Consultation March 2026.pdf

absence;[2] and certain technical and clarificatory amendments to other parts of the regime.[3] The consultation has now closed and responses will inform the final ODSE rules and guidance, to be published in May 2026.

Our team of regulatory and governance specialists can support clubs, as well as incumbent and prospective owners and senior managers to meet the IFR's requirements. In addition to supporting with the necessary **regime scoping exercise**, **regulatory applications** and securing **approvals**; our team can assist in reviewing club governance arrangements, through **regulatory gap analyses** to help ensure clubs remain on-side under the new regime which is expected to apply in full force as of May 2026.

[2] Provision for temporary absences is a feature of the SMCR for financial services firms and provides important flexibility for firms to ensure the continued effective governance of firms during periods of change. The IFR is clearly leveraging the learnings from the financial services sector as it implements the new regime, and clubs (as well as owners and senior managers) will wish to prepare now to ensure compliance.
[3] In particular, references to the recent statutory instrument on suitability assessment time limits, statutory guidance on the meaning of significant influence and control, and clarity as to the position of incumbents.

Who is an 'owner'?

An 'owner' of a club comprises any individual (i.e., a natural person) or registered society[4] that satisfies one or more of the following ownership conditions in relation to that regulated club:[5]

(a) that the person has the right to exercise, or actually exercises, significant influence or control over the activities of the club (in whole or in part);

(b) the person holds, directly or indirectly, more than 25% of the shares in the club;

(c) the person holds, directly or indirectly, more than 25% of the voting rights in the club;

(d) the person holds the right, directly or indirectly, to appoint or remove an officer of the club; and/or

(e)

(i) the trustees of a trust, or the members of a partnership, unincorporated association or other body, that is not a legal person under the law by which it is governed would meet one or more of conditions (1) to (4) (in their capacity as such) in relation to the club if the references in those conditions to a 'person' were to the trustees or members; and

(ii) the person has the right to exercise, or actually exercises, significant influence or control over the activities of that trust or body (in whole or in part).

Part 2 to Schedule 1 of the Act provides further guidance on matters relating to voting rights; calculating shareholdings in a regulated club; and how shares and rights are held. The key points are:

- **Joint arrangements**: persons holding shares or rights subject to a joint arrangement[6] between those persons are to be taken to hold the combined shares or rights of both persons.
- **Calculating shareholdings**: for clubs that have a share capital, reference to holding more than 25% of the shares in the club is to holding shares comprised in the issued share capital of the club of a nominal value exceeding (in aggregate) 25% of that share capital. For a club that does not have a share capital, reference to holding more than 25% of the shares in the club is to be read as a reference to holding a right or rights to share in more than 25% of the capital or, as the case may be, profits of the club.
- **Voting rights:**[7] a reference to the voting rights in a person is to the rights conferred on shareholders in respect of their shares (or, in the case of a person not having a share capital, on members) to vote at general meetings of the person on all or substantially all matters. In relation to a person that does not have general meetings at which matters are decided by the exercise of voting rights a reference to holding more than 25% of the voting

[4] In the case of a club which is a registered society, if there is no individual in relation to whom one or more of the ownership conditions are met, the registered society itself is the owner of the club.
[5] An 'owner' is defined under section 3 and Schedule 1 of the Act.
[6] An arrangement between the holders of shares (or rights) to exercise all or substantially all the rights conferred by their respective shares (or rights) jointly in a way that is pre-determined by the arrangement.
[7] Voting rights in a person held by the person itself are to be disregarded.

rights in the person is to be read as a reference to holding the rights under the constitution of the person to block changes to the overall policy of the person or to the terms of its constitution.

- **Holdings accounted for the purpose of the ownership conditions:** under the Act, the following types of holdings will be considered for the purpose of determining whether a person satisfies an ownership condition:
    - Shares or rights held 'indirectly': a person holds a share (or right) 'indirectly' if they have a majority stake in a person that holds the share. Note this includes a chain of persons where each has a majority stake in the person immediately below it and the last of which holds the share.
    - Rights treated as held by a person who controls their exercise: a right is to be treated as held by that person which controls that right (and not by the person who in fact holds the right).[8]
- **Exempt holdings:** however – again taking cues from the financial services 'change in control' regime – certain holdings will be considered exempt for the purpose of determining if a person is an owner, including: (i) rights attached to shares held by way of security; (ii) shares held by nominees; and (iii) rights exercisable in limited circumstances.

A person may not become an owner of a particular regulated club unless, on an application by the person to the IFR, the IFR determines that the person is suitable to be an owner of the club (an 'affirmative determination'). A person who: (a) is not an owner of a particular regulated club, but (b) considers that there is a reasonable prospect of the person becoming an owner of that club, must notify the IFR of that fact. We discuss the intricacies of these requirements in more detail below.

[8] A person controls a right if pursuant to an arrangement, the right is exercisable only (a) by that person, (b) in accordance with that person's directions or instructions, or (c) with that person's consent or concurrence.

Who is a 'senior manager'?

As is the case in respect of prospective owners, the IFR must be notified if there is a reasonable prospect of a person becoming a senior manager at a regulated club. Such persons cannot take on a relevant role unless a subsequent application is also made to the IFR and the IFR determines them to be suitable for the role.

An individual becomes a senior manager by virtue of undertaking one of the following six SMFs:

(a) **SMF1 (Chair function)** is the function of having responsibility for chairing the board of a regulated club and overseeing its performance.

(b) **SMF2 (Chief Executive function)** is the function of acting in the capacity of a chief executive (or equivalent) of a regulated club with the responsibility, for the conduct and management of the whole of the business of the regulated club.[9]

(c) **SMF3 (Chief Finance function)** is the function of having responsibility for management of the financial resources, financial planning, and financial reporting of a regulated club, including reporting directly to the board of that regulated club in relation to its financial affairs.

(d) **SMF4 (Chief Operations function)** is the function of having overall responsibility for managing all, or substantially all, of a club's internal operations, or those of a significant part of the club.

(e) **SMF5 (Director function)** is the function of acting in the capacity of a director or a shadow director of a regulated club.

(f) **SMF6 (Other Key Decision Maker function)** is the function of having a significant influence on the management or conduct of one or more aspects of a regulated club's affairs in relation to its regulated activities.

In our experience of other similar regulatory regimes, SMF6, and the concept of significant influence upon which it is based, is most likely to cause challenges for clubs. There is necessarily a degree of judgment and interpretation involved in the application of this function to an individual club's arrangements and structure; and it will be important for clubs to ensure that their mapping of this function is in-step with the IFR's intentions for the regime (and informed, where appropriate, by approaches taken by regulators in other sectors where this concept exists). The IFR's rationale in establishing this function is to ensure that highly influential individuals are not able to avoid being in-scope of the ODSE regime by holding a role that is not specified in the other SMFs; but continuing to have a high degree of decision-making authority or influence over the club's regulated activities.

This definition of the ODSE regime's SMF6 and the rationale given by the IFR aligns in principle with that given by the Prudential Regulation Authority in respect of the SMCR's SMF7 (Group entity senior manager function). Namely, the SMF7 role 'currently applies to individuals who have significant influence over the management or conduct of one or more aspects of the affairs of a firm in relation to its regulated activities…' and is designed to ensure that individuals capable of acting as key decision-makers over a regulated firm are held accountable.

[9] Note that this responsibility may be held alone, or jointly with one or more others, under the immediate authority of the board of that regulated club.

Helpfully, the IFR has elaborated on the meaning of 'significant influence'.[10] It has also provided examples of individuals that would fall into the SMF6 category:

Roles the IFR would expect to be in-scope of the SMF6	Roles the IFR would not expect to be in-scope of the SMF6
A Sporting Director with a high degree of executive decision-making authority over matters that may affect a club's financial soundness (e.g. decision-making authority over player transfers or contracts).	Sporting Director with minimal or no executive decision-making authority and whose responsibilities are purely focused towards sporting and on-pitch activities (i.e. they cannot authorise transfers or contracts).
Individuals who hold executive decision-making authority over matters that may affect a club's financial soundness (e.g. or major expenditure) who do not sit on the club's board.	First team managers/coaches who are responsible for sporting and on-pitch activities and do not have executive authority to authorise transfers and other financial matters.
Other executive or non-executive roles not included within SMF1-5 that hold decision-making authority over matters that may affect a club's financial soundness or heritage.	Other sporting roles, such as medical staff and scouting personnel. While they may influence asset condition (e.g. player fitness) or player identification, they are likely to lack executive authority over transfer decisions, contractual agreements, or other financial matters.
	Facilities/operational staff who may influence the day to day running of a club but do not have overall responsibility or decision-making authority for a club's regulated activities.

[10] In December 2025, statutory guidance was issued under the Act on the meaning of 'significant influence and control', providing greater clarity on how this concept should be interpreted in practice. Available at: https://assets.publishing.service.gov.uk/media/693315275b5198836f30415a/E03461288_Statutory_Guidance_About_the_Meaning_of__Significant_Influence_or_Control__final_accessible_December_2025__1_.pdf

New regulatory processes: notifications and applications

Notifications: staying on-side

There is a separate obligation for both the person and the club to notify the IFR when there is a 'reasonable prospect' of that person becoming an owner or a senior manager.

However, one notification is acceptable where 'it is clear that both the regulated club and person/individual stand behind it'. Whilst there is no further guidance as to the meaning of this exception, we would expect the person and the club making a single notification to clearly evidence that the person's and the club's interests align, the obvious way being to have both parties sign the notification.

The IFR's guidance explains when a 'reasonable prospect' would occur and when the IFR might expect to receive a notification. In respect of owners, notifications are not required for every single enquiry a club receives, as the IFR recognises that not all enquiries have a realistic prospect of being agreed. Instead, a club should notify the IFR when bids are 'likely to result in a new owner' and the IFR defers to the regulated clubs' discretion as to when this may be the case. Similarly for senior managers, the IFR does not expect to receive notifications for every single individual shortlisted or interviewed for a role. Rather, the IFR is content to receive a notification when a club has identified a single, preferred candidate for a role in scope of being an SMF. Clubs will need to exercise careful judgment to remain on-side with the IFR's expectations.

The IFR permits regulated clubs or the prospective owner / senior manager (as applicable) to submit the notification at any stage up to the point of submitting a formal application for the prospective owner, even in parallel with such application. Nevertheless, the IFR recommends making the notification at as early a stage as possible to ensure that the parties are aware of the mandatory information requirements for what must be included in an application; and that the IFR's assessment is conducted as efficiently as possible.

Notifications relating to prospective owners must include enough information for the prospective owner to be identified. Notifications must also explain why there is a reasonable prospect of them becoming an owner of the regulated club, including identifying which of the ownership conditions is likely to be met. Notifications relating to prospective senior managers should include the same but must also include their proposed job title (or a description of the job proposed to be performed by them) and the SMF to be carried out by them. There is no prescribed form for either of these notifications[11] and it is left open to clubs and individuals to decide, for example by corresponding with its allocated supervision team. The IFR will not assess suitability at this stage, nor provide any indication as to whether a subsequent application will be approved or any conditions are met; it will simply record the notification on the understanding that this will progress to a full application.

Importantly, notifying the IFR will not automatically engage the 'suitability assessment' procedure. Although the IFR will make a record of the notification, it will only assess a candidate's suitability once a complete application, as

[11] Note, however, under the ODSE Amendments Consultation that the IFR had proposed to introduce a Temporary Appointment Notification Form that regulated clubs must use to notify the IFR of a proposed appointment of an existing Senior Manager as a Temporary Appointee in line with proposed rules 5.5 to 5.7

explained below, has been received. Furthermore, the IFR assured, in its guidance, that it will not publicise or share any details relating to a notification.

Clubs will need to have a clear policy in place in order to identify and assess the circumstances in which such notifications will need to be made.

Our team can support clubs in formalising these frameworks, to ensure that there is an efficient process in place to secure compliance.

Applications

Prescribed forms are mandated, however, for the application stage.

The IFR has produced separate application forms with different information requirements for prospective owners and senior managers, which should be referred to when making an application.

For prospective owners, applications must include, among other things, information regarding the identity of the prospective owner, the proposed operation of the club; estimated costs of that operation; how those costs are to be funded and the source of that funding. Ultimately, the application will need to demonstrate that the applicant meets the individual ownership fitness criteria, has sufficient financial resources, and does not possess wealth, the source of which is connected to serious criminal conduct.[12] For these purposes, the applicant is required to provide details on criminal convictions and proceedings and civil proceedings, employment and disciplinary matters. From a financial soundness perspective, the applicant is required to provide details on both its financial situation and history including by way of example, previous debt relief orders applied to them. Applications should be supplemented by supporting documentation such as a business plan and group control and structure information. Applicants should also consider gathering or generating as much evidence as possible to support the application including undertaking DBS checks and submitting the certificate with the application, and having financial documents prepared and ready, such as bank statements, as proof of funds and the transaction and to evidence financial soundness and integrity.

The specific application form for senior managers requires certain information that is not required from prospective owners, reflecting the slightly different requirements of the assessment that the IFR is required to conduct for senior managers compared to owners. Similar to the applications for owners, SMF applications must demonstrate to the IFR that the applicant meets the officer fitness criteria i.e., the applicant has the requisite honesty and integrity and is financially sound. However, applications also require information relating to the applicant's 'competence'. For this reason, similar information is required in respect of criminal and civil proceedings and employment and disciplinary matters. Information regarding their current and historic financial situation is also necessary. The competence section requires the applicant to indicate each SMF role it is applying for alongside an explanation covering why the club considers them suitable and fit to perform such role(s). Where an individual seeks to hold more than one SMF, a single application form may be used but must indicate all the SMFs that are being applied for. The information required by this application will necessitate slightly different evidence.

This information is akin to that typically provided in the context of change in control applications to the FCA in the financial services industry.

Applications must include all information requested in the form. The IFR may request additional information or explanations at any stage, even after it has received a complete application and the determination period has

[12] Where the application is made by a registered society, the application must demonstrate that the applicant has sufficient financial resources.

commenced. Prior to making a final determination, the IFR may consider inviting the prospective owner or senior manager for a meeting where it has been unable to reach a determination based on the written information provided.

Note that the under the ODSE Amendments Consultation, in response to stakeholder feedback, the IFR had proposed to clarify how the ODSE regime applies where an applicant withdraws its application.

Once the IFR has reached a decision, it will notify the club and applicant and publish its determination on its website. If they are found suitable for the role, the decision will last whilst they are in that position or until the IFR makes a subsequent finding that they are unsuitable. If however they are found to be unsuitable for the role, they will be notified with reasons and given at least seven days to make representations. Applicants found to be unsuitable will also have the chance to request the decision to be reviewed (by an IFR Internal Reviewer) within seven days of being notified of this right, and the review will conclude within 28 days whether to uphold, vary or cancel the original decision. A decision by the Internal Reviewer may be appealed to the Competition Appeal Tribunal.

Secondary legislation now sets out specific statutory time limits within which the IFR must make a determination on an ODSE suitability application. The statutory time limits seek to provide additional certainty for clubs, investors and senior individuals engaging with the approvals process. It is critical that each application undergo rigorous scrutiny from the applicant to ensure that it contains sufficient information, supported by compelling evidence, to satisfy the review of the IFR. Failure to do so will risk the application failing which could have significant consequences, namely that the IFR may make an order disqualifying a person from being an owner or officer of any regulated club. Note also that the IFR must publish these types of determinations, risking reputational damage to such persons, their affiliates and the regulated club itself.

Suitability

There are different tests for owners and senior managers, concerning assessments of suitability by the IFR.

Senior managers need to meet three officer fitness criteria: i) honesty and integrity; ii) having the requisite competence, and iii) being financially sound. Owners need to meet the following two individual ownership fitness criteria: i) honesty and integrity; and ii) being financially sound. An owner's source of wealth must not be connected to serious criminal conduct. Prospective owners must also meet an additional condition – having sufficient financial resources.

These fitness criteria - honesty and integrity; financial soundness; and competence - under the ODSE regime are comparable to the 'fit and proper' criteria applicable to the senior management functions under the SMCR. As described in the section above, under both regimes, firms and clubs (as applicable) should be in a position to evidence how they have satisfied themselves that candidates are suitable before an application is submitted.

(a) **Honesty and integrity:** the IFR will consider whether the applicant has any criminal offences, is or was subject to any criminal or other proceedings or involved in any disciplinary action, in particular with sporting authorities. The IFR will take into account:

  (i) the nature and particular circumstances of the incident;

  (ii) how many incidents have occurred;[13]

[13] The IFR may also take into account when the relevant incident or conduct took place.

(iii) any relevant submissions made by the individual;

(iv) the role of the individual when the incident occurred;

(v) whether the individual has taken steps to influence other individuals to take a decision to not report or disclose information, mislead, or not co-operate with the IFR, a competition organiser, or regulatory body;

(vi) the manner in which the individual has responded to other requests from the IFR, a competition organiser, or regulatory body; and

(vii) whether the person has acted in a manner intended to obstruct the reporting or disclosure of information to the IFR, a competition organiser, or regulatory body.[14]

(b) **Financial soundness:** this is not the same as having sufficient financial resources, which will be separately assessed for owners. Here, the IFR will take into account if an individual has been bankrupt or subject to a similar procedure, as well as the financial situation of any company where the individual has held a position of responsibility, for example, if the company has become insolvent or was in financial distress. The IFR states that it may place additional scrutiny on whether a football club (or other sporting club) controlled by an individual has been subject to financial distress.

(c) **Requisite competence (senior managers):** in assessing competence, the IFR will have regard to an individual's qualifications, experience and training, particularly in light of the IFR's statutory objectives: running a regulated club in a financially sustainable way, safeguarding its heritage, and engaging appropriately with fans. 'Competence' does not include aspects such as the individual's football knowledge, past on-pitch success or performance in relation to transfer business. The IFR will take into account the following factors:

(i) the past or current situation of organisations where the individual has held (or holds) a position of responsibility;

(ii) the nature of the particular role being applied for and the responsibilities associated with it;

(iii) the scale and complexity of the operations of the regulated club it relates to; and

(iv) the situation and circumstance of the particular regulated club it relates to.

(d) **Sufficient financial resources (owners):** the IFR will take a contextual approach to determine whether a prospective owner has sufficient financial resources in light of the particular circumstances of the club involved, with particular consideration for:

(i) the circumstances of the target club, including their current financial position and the financial resources that may be required to ensure its financial soundness on an ongoing basis, and

(ii) the intention and strategy of the prospective owner, with the IFR in particular considering whether the prospective owner is able to provide the financial support it may need to operate against their proposed financial plan, including any injection of funds or capital the club may require.

[14] The IFR may take into account incidents and conduct that involved misleading or not co-operating with the relevant body which pre-date the IFR's powers coming into force.

Note that the IFR consulted on additions and amendments to these considerations as part of the ODSE Amendments Consultation. In particular, one proposed amendment adds that the IFR will also consider 'compliance with Threshold Requirements and regulatory framework'.

(e) **No suspicion of source of wealth connected to criminal conduct (owners):** prospective owners will need to explain and evidence their source of wealth, with the IFR having the power to request additional information if it considers it necessary to properly assess an application. Applicants and clubs must also sign a declaration confirming that the source of funds used are, to the best of their knowledge, not connected to serious criminal conduct.

Incumbent owners and senior managers

Incumbent owners and senior managers are not automatically subject to any ODSE tests.[15] An assessment is only triggered if the IFR is in possession of information that gives it grounds for concern that they no longer satisfy their respective individual fitness criteria, or that an owner has a source of wealth that is connected to serious criminal conduct. For incumbent owners, the IFR will not consider whether they have sufficient financial resources, although it can still consider whether the individual is financially sound.

The IFR guidance clarifies that that it will only rely on information it has produced, identified or collected, and not media or public speculation, or information that is not relevant to the relevant ODSE tests.

In light of this, clubs, and the owners / senior managers (as relevant) of a regulated club, have a duty to notify the IFR if there is a change in material circumstances that affects the suitability of a current owner or senior manager. This is not restricted to any new event, but also includes any new knowledge relating to a past event, including the following non-exhaustive examples:

(a) where an owner or senior manager is the subject of criminal proceedings or receives a criminal conviction;

(b) where an owner or senior manager is the subject of a regulatory or disciplinary action (including being disqualified from being a director);

(c) where an individual becomes bankrupt or made an arrangement with creditors; and

(d) where an organisation in which an owner or senior manager holds a position of responsibility (including having control) becomes insolvent.

As with prospective owners and officers, **negative findings from the IFR can have significant consequences**:

- The IFR must give **a direction to the owner or officer to take all reasonable steps to cease to be an owner of the club before the end of the removal period**. In respect of officers, the IFR may also issue (instead of, or in addition to, the aforementioned direction) **a direction to the club requiring the club to take all reasonable steps to secure that such officer ceases to be an officer of the club before the end of the removal period**. For owners, this may escalate to an ownership removal order if such owner does not comply with the direction.
- The IFR may give a direction that a person must not, and/or that the club must secure that such person does not, (wholly or to an extent specified in the direction) carry out such of the person's activities, or exercise such of their rights, as an owner or officer, as are specified or described in the direction.

[15] In the ODSE Amendments Consultation, the IFR introduced a new rule to the ODSE regime to make clear who is treated as an incumbent Owner, Director and Senior Executive:

a) a person who is an Owner of a regulated club and became so prior to the coming into force of sections 27 to 32 of the Act will be deemed to fall within section 34(3)(a) of the Act.
b) a person who is an officer (as defined in s.4 of the Act) at a regulated club and became so prior to the coming into force of sections 27 to 32 of the Act will be deemed to fall within section 35(2)(a) of the Act.

Impact on clubs and owners: steps to take now

As the IFR continues to operationalise the ODSE regime under the Act, clubs should not delay in taking practical steps to ensure compliance. The regime already applies to incumbent owners and senior managers, and will soon extend to prospective owners and senior managers. Set out below are the key actions clubs should be considering now.

(a) **Map senior management functions**

Clubs should undertake a thorough mapping exercise to identify which roles and individuals within their organisation fall within the scope of the ODSE regime. This means identifying all persons who perform, or are proposed to perform, prescribed SMFs at the club. Clubs should consider not only their board-level appointments, but also any other roles that carry sufficient responsibility or influence over the club's affairs to bring them within the regime's scope. A clear and up-to-date organisational chart, annotated to reflect ODSE-relevant functions, will serve as an essential reference document for ongoing compliance.

(b) **Assess incumbent SMFs against the fitness criteria**

Once in-scope individuals have been identified, clubs should conduct a rigorous assessment of each incumbent owner, director and senior manager against the fitness criteria prescribed under the ODSE. Clubs should gather and review the relevant information in respect of each individual, including any matters that may give rise to concerns or require disclosure to the IFR. Where potential issues are identified, clubs should consider at an early stage how these might be addressed or mitigated, and whether legal advice is required.

(c) **Conduct a gap analysis of existing governance arrangements**

Clubs should carry out a comprehensive gap analysis, benchmarking their existing internal governance arrangements against the requirements of the ODSE regime. This exercise should assess the adequacy of current policies, procedures, role descriptions, reporting lines and decision-making frameworks in light of the new regulatory expectations. The gap analysis will help clubs to understand the extent to which their existing governance structures are fit for purpose and to prioritise areas where new or enhanced arrangements are needed. For the vast majority of clubs, particularly those that have not previously been subject to comparable regulatory oversight, this exercise is likely to reveal significant areas requiring attention.

(d) **Develop ODSE-specific policies and protocols**

Drawing on the findings of the gap analysis, clubs should develop a suite of internal policies and protocols tailored to the requirements of the ODSE regime. This should include, at a minimum, procedures governing the internal assessment as to suitability, appointment and ongoing monitoring of individuals performing SMFs, as well as clear protocols for the management of conflicts of interest and for internal reporting and escalation. Clubs may wish to consolidate these arrangements into a dedicated ODSE compliance manual, which can serve as a single point of reference for the club's board, management and compliance function. The compliance manual should be a living document, subject to regular review and updating as the IFR's expectations develop.

(f) Establish procedures for ODSE notifications and applications

The ODSE regime will impose notification and application requirements on clubs in connection with changes to their ownership and senior management. Clubs should put in place robust internal procedures to ensure that all required notifications and applications are made to the IFR accurately and within the prescribed timeframes. This is particularly important as the regime extends to prospective owners and senior managers, since clubs will need to ensure that the necessary approvals are obtained before any new appointment or change of control takes effect. Clubs should designate a responsible individual or team to oversee the notification and application process, and should maintain a clear record of all submissions made to the IFR.

(g) Invest in training and awareness

Clubs should ensure that all relevant personnel, including board members, senior managers and those in governance or compliance roles, are made aware of the ODSE regime and understand their obligations under it. Tailored training programmes should be developed to explain the scope of the regime, the fitness criteria, the notification and application requirements, and the consequences of non-compliance. Embedding a culture of regulatory awareness and accountability at all levels of the organisation will be essential to achieving and maintaining compliance as the ODSE regime matures.

(h) Seek expert assistance

As discussed above, the ODSE regime takes inspiration from the financial services regulatory framework; in particular, the SMCR. Both the ODSE regime and the SMCR include responsibility mapping focused on roles and functions, and not simply job titles. Both the functions themselves and the fitness criteria applied to individuals seeking to fulfil such functions seem inspired by equivalent provisions under the FCA's SMCR applicable to the financial services industry.

Against the backdrop of a new regime, the IFR has afforded itself the discretion to act as it considers necessary in the circumstances and the flexibility to refine its practices as it accumulates experience and its application of the framework develops. Clubs, largely unaccustomed to a regulatory framework of this nature, may need guidance to navigate the regulator's expectations as they evolve.

It will, therefore, be important for clubs to engage proactively with the regulator at an early stage, both to foster a constructive working relationship and to seek to establish precedent in respect of the IFR's approach to enforcement and supervisory expectations. Navigating regulatory uncertainty in a developing framework may represent a challenge to firms to ensure they are appropriately positioned to respond to the IFR's evolving requirements.

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