



General Licence – Publication Notice

General licence - INT/2022/1327076

OFSI has the power to issue General Licences for country sanctions regimes under the Sanctions and Anti-Money Laundering Act 2018 (“the Sanctions Act”).

On 10 March 2022, OFSI issued General Licence INT/2022/1327076 under Regulation 64 of The Russia (Sanctions) (EU Exit) Regulations 2019 (“the Russia Regulations”) pertaining to the continuing operation of Chelsea Football Club (“the Club”) and its subsidiaries. This applied to the Club as it was an entity owned/controlled by the DP

On 31 May the general licence expired and has not been extended. It is no longer applicable.

For the purposes of General Licence INT/2022/1327076 the DP is:

1. Roman Arkadyevich Abramovich

General Licence INT/2022/1327076 allows for the payments essential to the continuation of the operation of the Club. Under this licence the Club was permitted to:

1. Pay the wages, allowances and pensions of all employees of the Club, including players, coaching, corporate and administrative staff;
2. Pay fees, dividends or other allowances to directors of the Club, which are payable under obligations which pre-date the licence. Remuneration, such as any fees, dividends, allowances or other payments to the DP or for the DP’s benefit are prohibited;
3. Continue the payment necessary for the ongoing regular maintenance of the Club and the Club’s grounds, including rates, council tax, other taxes, insurance building safety inspection costs, energy costs and other maintenance costs associated with the maintenance of the Club’s ground and training grounds, but excluding new capital works or refurbishments ;
4. Pay reasonable costs of travel to and from fixtures by any of the Club’s teams for players and essential staff including costs for security staff, travel agencies or contractors. These costs may include travel, accommodation and subsistence costs, but may not exceed £20,000 per game, per Club team ;
5. Make payments for goods and services necessary for the hosting of fixtures held at the Club’s grounds, including security, stewarding, emergency services and catering, not exceeding the value of £500,000 per fixture per Club team;
6. Continue to make inter-club payments to discharge obligations which existed prior to the designation under player loan and sale agreements.

Persons who purchased tickets prior to 10 March 2022, including season-tickets purchased before

that date, are permitted to attend fixtures and purchase refreshments at fixtures. Where persons pay for season tickets in regular instalments, those persons who entered into a payment plan before this date can continue to make payments.

Broadcasters may broadcast fixtures involving the Club, and the Club may still receive payments associated with broadcasting, including payment of broadcasting licence fees due to the Club. Relevant bodies, including the English Football Association, the Premier League and the Union of European Football Associations may still pay the Club fees relating to their performance in competitions hosted by those bodies.

Any funds which the Club receives must be frozen due to the asset freeze on the DP.

Third parties who purchased Club merchandise prior to 10 March 2022 are permitted to continue selling existing stocks of merchandise, on the condition that no funds or benefits accrue to the Club or the DP. The license does not permit the purchase of new merchandise by a third party, nor does it permit the production of new merchandise, unless there is an existing obligation to do so which predates the date of the DP's designation.

On 12 March 2022, General Licence INT/2022/1327076 was updated to clarify that:

1. Under permission 4.1, the Club may pay remuneration, allowances and pensions to agency workers, temporary workers and contractors.
2. Under permission 4.5, the Club may continue to pay for utilities and IT services related to the ongoing maintenance of the Club, as well as continue to pay for ongoing capital works commenced prior to 10 March 2022.
3. Under permission 5, the Club may pay for reasonable costs necessary for hosting fixtures at its home grounds, not exceeding £900,000 per fixture per Club Team. These costs may include, but are not limited to:
 - i. Safety management
 - ii. Premises/Structure management
 - iii. Provision of medical services
 - iv. Crowd management and safety, security, and counter-terrorism
 - v. Policing
 - vi. Zone Ex management and traffic management
 - vii. Provision, management, and safety of utilities
 - viii. Necessary equipment hire
 - ix. Provision of services to staff, including contractors and temporary staff, involved in the provision of the activities in [above bullets] including subsistence, personal protective equipment, and parking.
 - x. Under this permission the cap for such costs was increased from £500,000 to £900,000.
4. Relevant bodies may pay the Club prize money.
5. The Club may receive revenues collected under paragraphs 5, 7, 8.1 and 8.2 of the Licence, which must then be frozen.
6. Relevant institutions, including banking and financial service providers, may process or accept payments in accordance with paragraphs 4 to 8 of the Licence.

On 12 March 2022, General Licence INT/2022/1327076 was updated to include further permissions to allow:

1. The Club to continue to pay providers of employment benefits for current and former employees of the Club (including private health insurance providers) where the Club has an obligation which existed before 10 March 2022 to provide such benefits to its current and former employees.
2. The Club to pay reasonable expenses to the families of Academy Players and families providing accommodation to Academy Players, in line with Premier League Youth Development rules.
3. The Club to pay third parties in respect to prior obligations, including contracts signed before 10 March 2022 and in respect to legal decisions prior to 10 March 2022, except where those obligations are to any designated person.
4. People present at a fixture to purchase refreshments at fixtures.
5. The Club to process refunds and chargebacks to customers in respect to any payments made to the Club under this licence.
6. Tenants or leaseholders in property owned by the Club, or guests in hotels owned by the Club can continue to make regular payments that fall due under agreements entered into before 10 March 2022. These include service charges, rent, property fees, utility fees and hotel invoices.
7. The Club may pay relevant service providers in respect to property owned by the Club, including utility providers and other contractors providing services to tenants, leaseholders, or guests at hotels

On 23 March 2022, General Licence INT/2022/1327076 was updated to:

1. Amend the list of Relevant Bodies to include the International Federation of Association Football (FIFA) and the English Football League (EFL).
2. Clarify examples of the taxes Chelsea FC can pay, including PAYE, NI and VAT.
3. Allow Chelsea FC to sell or act as agents during the sale of tickets to Fixtures held at a ground other than the Chelsea's home grounds.
4. Allow Chelsea FC to allocate tickets or act as agents during the sale of tickets to Fixtures held at a ground other than the Chelsea's home grounds.
5. Allow Chelsea FC to sell tickets or act as an agent during the sale of tickets for Fixtures held at the Club's grounds, where those fixtures are in the Champions League and the FA Cup.
6. Clarify that acting as an agent means receiving funds from ticket sales and transferring these funds to a third party under a prior arrangement or facilitating the transfer of funds from the ticket buyer to a third party. These third parties are Relevant Bodies, such as the Premier League, the FA or UEFA, or other clubs participating the competition.
7. Allow for competition organisers and other relevant bodies to process transactions in relation to the sale of tickets, as agreed with Chelsea FC and keep the proceeds of the sale of those tickets.
8. Define Fordstam Ltd as the parent company of Chelsea FC.
9. Allow Fordstam Ltd to pay Chelsea FC plc up to £30,000,000.00 to resolve any cashflow or liquidity issues.
10. Allow Fordstam Ltd to pay its employees, and the employees of its UK subsidiaries.
11. Allow insurance firms to provide insurance cover to the club.
12. Allow any reporting made under General Licence INT/2022/1327076 to be done within 14 days of conducting the activity under the licence.

On 11 April 2022, General Licence INT/2022/1327076 was updated to include further permissions to allow:

1. Fordstam Ltd to pay fees to providers of employment benefits for current and former employees of the Parent and its UK subsidiaries (including private health insurance providers) where the Parent has an obligation which existed before 10 March 2022 to provide such benefits to its current and former employees and those of its UK subsidiaries.
2. Fordstam Ltd to pay all taxes outstanding or that become due during the period of the Licence, including, but not limited to, council tax, PAYE, National Insurance and VAT.

All persons using the licence are required to keep accurate, complete and readable records, on paper or electronically, of any activity purporting to have been permitted under this licence with a value exceeding £5,000 for a minimum of 6 years. These documents must be made available on request by OFSI.

On 31 May the general licence expired and has not been extended. It is no longer applicable.

General

The permissions in General Licence INT/2022/1327076 do not authorise any act which the person carrying out the act knows, or has reasonable grounds for suspecting, will result in funds or economic resources being made available in breach of the Russia Regulations, save as permitted under licences granted under the Russia Regulations.

General Licence INT/2022/1327076 takes effect from 10 March 2022 and expires on 31 May 2022. It was amended on 12 March 2022 and on 23 March 2023.

Office of Financial Sanctions Implementation

HM Treasury