# <u>Double Ownership, Double Trouble: The Corporate Battle for</u> <u>European Football Integrity</u>

# **Proposition of the III International Mediation Championship**

#### The Dream Turns Sour

- 1. In Lisbon, the streets erupted when Byndoor United FC sealed its spot in the UEFA Champions League for the first time in its history. In Innsbruck, Könkan Rangers FC, the pride of Austria, lifted the Bundesliga trophy to book its own ticket to Europe's grandest competition. Both sets of fans celebrated as though destiny itself had smiled upon them. Yet in UEFA's headquarters in Nyon, alarm bells rang. Reports revealed that both clubs, despite being based in different countries, were deeply entangled with the same sports investment giant: Su & So Company (Su & So Co) of Luxembourg.
- 2. Although UEFA is the body raising concerns, the actual dispute at the mediation table is squarely between the two clubs themselves. Byndoor United FC and Könkan Rangers FC now find themselves in direct opposition, each insisting on their independent right to compete in the Champions League. Both accuse the other of being more closely tied to Su & So Co's influence, and both claim exclusion of the other is the only way to preserve fairness. The mediation thus places the two clubs face-to-face, not only to defend their legitimacy but also to contest the future that only one of them may secure.

#### The Golden Rise

- 3. Su & So Co's fingerprints were on both fairytale ascents. Byndoor United had once been a mid-table side until Su & So Co financed a new stadium, marquee signings, and cutting-edge scouting networks. Könkan Rangers, teetering on the brink of bankruptcy in 2016, was rescued by Su & So Co's capital injection, coaching revamp, and squad overhaul. Both fanbases initially welcomed their saviour, grateful that global money could bring local glory.
- 4. But questions soon mounted. Investigative journalists discovered overlapping board members, suspiciously similar sponsorship deals, and even joint scouting reports. Su

& So Co insisted each club was legally independent, but UEFA's investigators began to see something more sinister: two clubs rising on the same puppet strings.

### The Shadows of Control

- 5. UEFA's rules are unambiguous. Article 5 of the UEFA Club Licensing and Financial Fair Play Regulations (2023) bars two clubs under the same control from competing in the same competition. The precedent was already infamous: in 2017, UEFA scrutinized RB Leipzig and Red Bull Salzburg, initially finding Red Bull exercised "decisive influence," but later allowing both clubs after strict governance reforms.
- 6. Rivals lodged formal complaints. Byndoor United argued Su & So Co's 28% stake fell below the "decisive influence" threshold. Könkan Rangers insisted its 60% Su & So Co shareholding was carefully firewalled. Yet UEFA investigators pointed to three discounted transfers from Könkan to Byndoor as clear evidence of coordination. Both clubs unveiled the same front-of-shirt sponsor, a Dubai crypto exchange brokered by Su & So Media. Broadcast rights for both clubs in the Middle East were also sold as a bundle, negotiated by the same Su & So subsidiary. To UEFA, this suggested coordinated control.
- 7. Even more damning was a "talent development" agreement uncovered between Könkan Rangers' youth academy and Byndoor United. It gave Byndoor first refusal (ROFR) over Könkan's rising stars in exchange for funding and shared coaching staff. UEFA warned this was a feeder-club arrangement that violated FIFA's prohibition on third-party influence. Fans in Austria were outraged, accusing Su & So Co of stripping Könkan of its heritage and reducing it to a satellite for Byndoor's ambitions.

### The Legal Firestorm

- 8. UEFA moved to exclude one of the two clubs. Su & So Co's lawyers counterattacked, invoking EU law. They argued that UEFA's rules unlawfully restricted free movement of capital and investment. Byndoor hinted at appealing to the Court of Arbitration for Sport (CAS), citing CAS 2016/A/4492 Red Bull v UEFA, where similar disputes over multi-club ownership tested the balance between regulation and commercial freedom.
- 9. National federations clashed too. Portugal's football federation defended Byndoor, claiming domestic compliance was sufficient. Austria's Bundesliga accused Su & So Co of distorting its league, claiming Könkan's dominance was "artificially engineered."

10. Financial stakeholders panicked. Banks funding Byndoor's stadium threatened to call in loans if Champions League revenues were lost. Könkan's sponsors threatened to discontinue relations if denied European exposure. Politicians in Brussels and Strasbourg debated whether UEFA's rules conflicted with EU competition law. Meanwhile, UEFA president Aleksander Čeferin doubled down, declaring that "multi-club ownership is the biggest threat to football's integrity".

#### The Human Cost

11. Beyond the legal filings, the human fallout spread. Byndoor United's captain, a Portuguese international, told reporters his Champions League dream was being "stolen in a boardroom." Könkan's manager admitted privately that his job might not survive UEFA's sanctions. Fans rallied petitions demanding both clubs be admitted, but doubts lingered: if drawn together, could they truly compete as independent rivals?

#### Mediation – The Final Whistle?

- 12. With the group-stage draw looming in six weeks, UEFA provisionally froze both clubs' entries. Litigation before CAS or the EU courts was too slow. Instead, UEFA suggested mediation and insisted that Byndoor United initiate this, a last attempt to salvage integrity without wrecking the tournament calendar.
- 13. The questions now before the mediator are monumental. Can Su & So Co restructure quickly enough, divest shares, separate sponsorships, erect governance firewalls to satisfy UEFA? Should one club be sacrificed, and if so, based on sporting merit, financial stability, or broader fairness? Do EU competition laws undermine UEFA's authority to enforce the ban? And how can trust be restored among fans, federations, sponsors, and players?
- 14. The mediation chamber has thus become football's most important arena. Billions in revenue, two clubs' futures, and the credibility of the Champions League itself now rest not on goals scored, but on compromises forged. The Mediators shall be Mr. Sampath and Mr. Lohith.

# **Exhibit A – UEFA Regulation Extract**

### **Article 5 – Integrity of the Competition (2023)**

"No club participating in a UEFA competition may, directly or indirectly:

- (a) hold securities or shares of another club in the same competition;
- (b) be a member of another club in the same competition;
- (c) be involved in the management, administration or sporting performance of another such club;
- (d) exert any power whatsoever over the sporting performance of another such club."

(Source: UEFA Regulations, 2023)

# Exhibit B – Ownership Structure of Su & So Company

- Su & So Company (Luxembourg HQ)
- Su & So Portugal → 28% of Byndoor United FC
- Two overlapping directors with Könkan Rangers
- Su & So Austria → 60% of Könkan Rangers FC
- Su & So Media Ltd → Manages sponsorships, broadcasting & bundled rights

# **Exhibit C – Leaked Email (Translated from Portuguese)**

From: Su & So Executive (Luxembourg)

To: Boards of Byndoor United & Könkan Rangers

Subject: Player Budgets 2023/24

"Ensure coordination between Lisbon and Innsbruck squads. Könkan's youth pipeline must serve Byndoor's Champions League ambitions. Discuss at next joint call."

# Exhibit D – FIFA Statutes on Third-Party Influence (2015 Ban)

### **Article 18bis – Third-party influence on clubs**

"No club shall enter into a contract which enables any other party to that contract, or any third party, to acquire the ability to influence employment and transfer-related matters, or its independence, its policies, or the performance of its teams."

(Source: FIFA Regulations on the Status and Transfer of Players, 2015)

Relevance: The "talent development agreement" between Könkan Rangers and Byndoor United may constitute prohibited third-party influence.

# Exhibit E – CAS Precedent: ENIC v UEFA (1999–2002)

CAS 98/200 ENIC plc v. UEFA

The Court of Arbitration for Sport upheld UEFA's prohibition on multi-club ownership, ruling that:

- The restrictions were proportionate and necessary to preserve competition integrity.
- The mere *possibility* of influence between two clubs under common control was sufficient to justify exclusion, even if no actual collusion could be proven.

(Source: CAS Award, 2002; reported in Sports Law & Taxation)

Relevance: UEFA may exclude either Byndoor United or Könkan Rangers purely on the risk of influence arising from Su & So Co's ownership.

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