FIFA®

2019-2022 revised budget

2021 budget

Unprecedented financial support in response to COVID-19 impact

Health comes first

The COVID-19 pandemic in 2020 has caused a humanitarian tragedy in many parts of the world and impacted the lives of millions in an unprecedented way. The lockdown measures implemented across the globe have brought much of global economic activity to a standstill and many businesses have been forced to reduce operations or even shut down.

Without exception, the spread of the coronavirus has seriously affected football tournaments and events around the world, leading to the suspension or cancellation of all of the globe's biggest leagues and the postponement of some of FIFA's football tournaments and events that were scheduled to take place in 2020 and 2021.

Thanks to FIFA's strong financial footing, the organisation is in a position to provide much-needed support during this unprecedented crisis and has defined its immediate priorities as follows:

- Health comes first
- FIFA is ready to help football in a proactive way
- Consultation process to consider the future evolution of football

FIFA confirms its pre-tax target of USD 100 million despite economic impact of COVID-19

Based on the above objectives and a comprehensive assessment of the economic impact of the coronavirus faced by FIFA as well as the effect on the international match calendar, we have revised our 2019-2022 revenue and expense budgets accordingly.

The revised budget is presented in this report together with the 2021 annual budget as approved by the Finance Committee and the FIFA Council at their meetings on 22 June and 25 June 2020 respectively.

With the majority of the commercial rights having already been sold, the impact of the coronavirus crisis on FIFA's revenue is expected to remain comparatively low. Nonetheless, the economic downturn and the changes to the international match calendar will affect FIFA's revenue recognition for the full cycle, in particular 2020 and 2021. The non-staging of the FIFA Confederations Cup and postponement of the new club competition, which was to be held in the calendar slot exclusively reserved for FIFA, will have a particular effect on revenue. It is expected that FIFA's revenue will reduce by over USD 200 million, an amount partially offset by other revenue streams that will be higher than initially budgeted.

A new date for the new club competition has not yet been fixed, as consultations on the international match calendar are still ongoing. As soon the new date has been set, FIFA will revise its revenue budget upwards accordingly.

As a result of efforts in recent years to modernise the FIFA administration and an ongoing focus on cost management, **FIFA's expenses are expected to offset the impact on revenue**. At the same time, the organisation's investment in and **commitment to global football development** will continue unaffected. The Forward 2.0 programme consequently remains unchanged and will be implemented in full and as planned.

The projected result before taxes and financial result of USD 100 million can therefore be confirmed, despite the impact of this pandemic on the match calendar and the global economy.

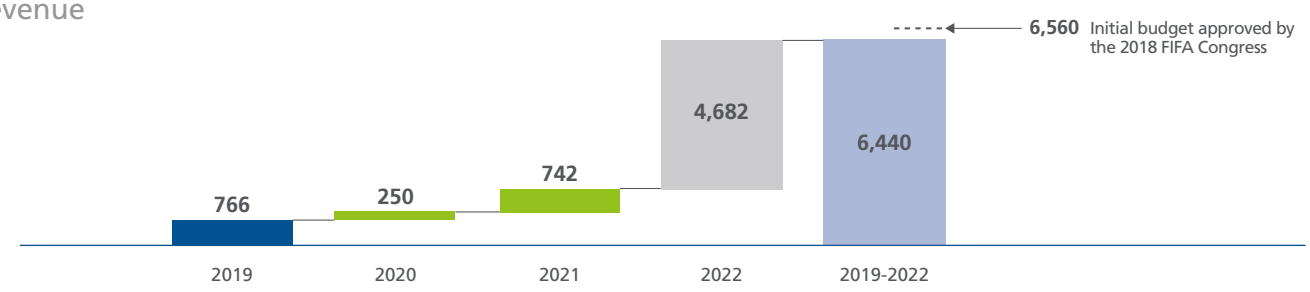
FIFA to support those affected most by the COVID-19 crisis

In addition to its continued investment in the FIFA Forward Programme and other existing football development programmes in the 2019-2022 cycle, FIFA has set up a **global financial relief plan** to help members of the football community hit hardest by the coronavirus. This plan will compensate for immediate liquidity shortages and losses caused by the pandemic and will be rolled out in three phases.

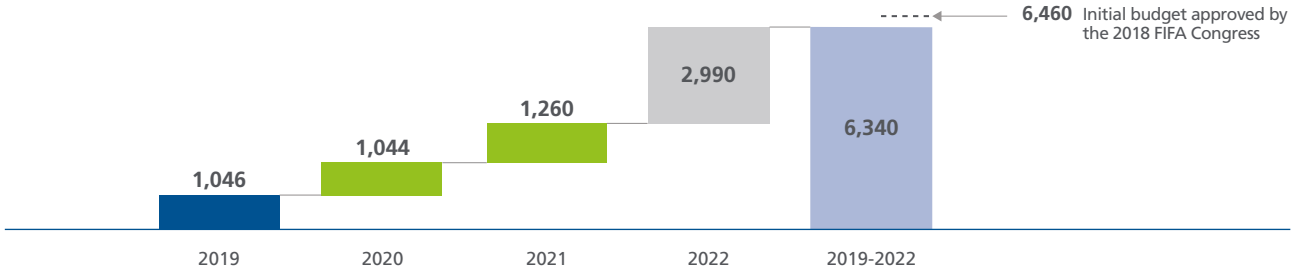
Despite the COVID-19 pandemic, FIFA is adhering to its original planned investment and staying in line with its overall strategic objectives. Thus, Forward 2.0 will be implemented unchanged, all tournaments due to be played in the cycle will be played during it and investment in women's football will also continue unaltered. From the excess reserves of USD 1,245 million, original planned investments of at least USD 500 million will be allocated to women's football. In total, USD 1 billion will be invested in the women's game during the 2019-2022 cycle.

Statement of profit or loss 2019-2022 (USD million)

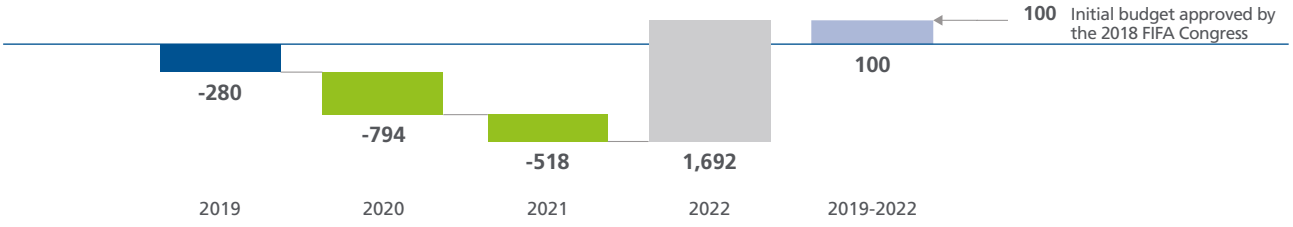
Revenue



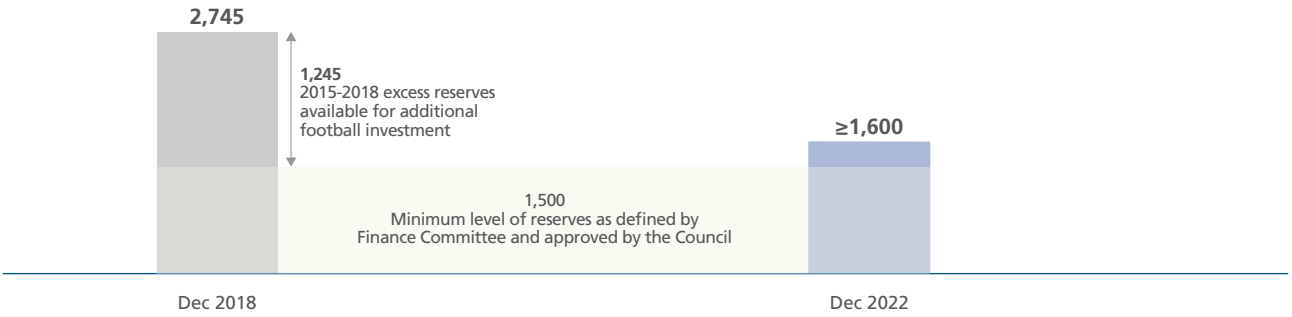
Investments/expenses



Result before taxes and financial result



Development of reserves (USD million)



FIFA on target to achieve net result for full cycle

FIFA revenues restated to reflect the risk of the COVID-19 pandemic

The pandemic has caused unprecedented challenges and will significantly impact global economic development. FIFA expects its revenue to be affected by this downturn and the changes to the international match calendar, with the postponement of the new FIFA club competition and the non-staging of the FIFA Confederations Cup having a particular effect. However, this effect is anticipated to be comparatively low because much of the commercial rights has already been sold. FIFA has proactively reviewed its financial targets and subsequently restated the revenue of the full-cycle 2019-2022 budget. The restated 2019-2022 budget has been reduced from USD 6,560 million to USD 6,440 million.

The full-cycle revenue reduction is attributable to the drop in rights fees linked to the non-hosting of the FIFA Confederations Cup and the risk associated with the economic downturn on the share of FIFA's revenue that will still be contracted in the coming years.

Thanks to FIFA's hedge strategy implemented at the beginning of the cycle, the potential risk of foreign currency volatility can be avoided due to already completed revenue transactions.

Changes to the FIFA international match calendar caused by the coronavirus have been reflected in the revised budget, in particular the rescheduling of the new club competition. A new date for this competition has not yet been fixed, as consultations on the international match calendar are still ongoing. As soon a new date has been set, FIFA will revise its revenue budget upwards accordingly.

As at 31 May 2020, 76% of the projected 2019-2022 revenue had been contracted.

For the cycle, within the five core revenue categories, television broadcasting rights is the largest contributor with a 51% share, followed by marketing rights at 28%. Licensing rights and other revenue make up the remaining 21% of the total budget.

The total budgeted revenue from the sale of **television broadcasting rights** amounts to USD 3,300 million, 94% of which has already been contracted for the cycle.

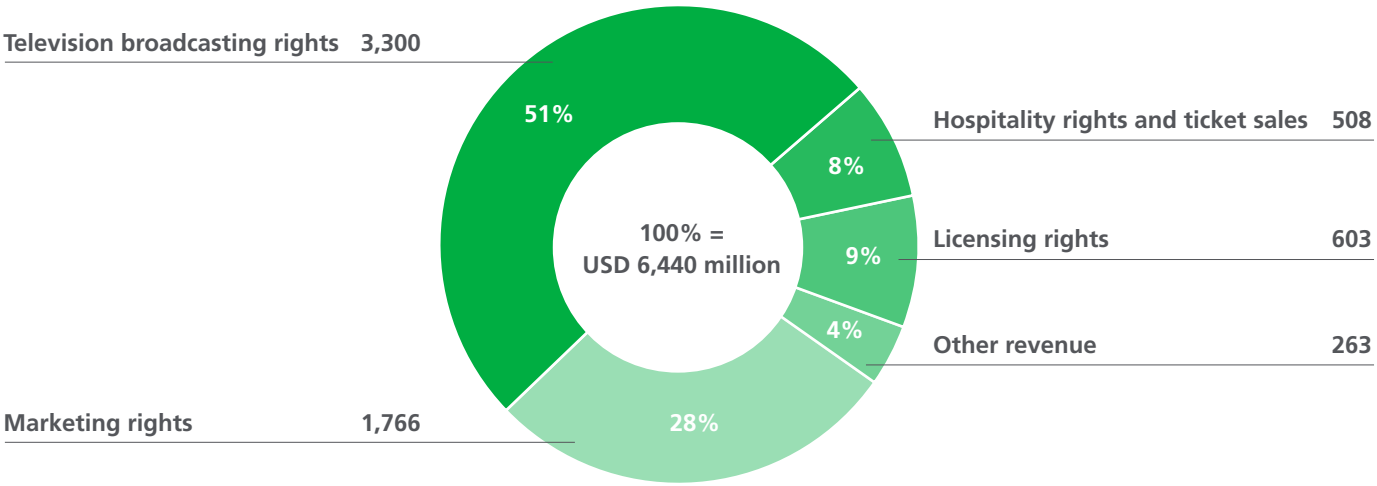
Marketing rights sales are strongly positioned, with 72% signed out of a total budget of USD 1,766 million. It is expected that additional Commercial Affiliates will be contracted during the period, in the categories of Partner, Sponsor, Regional Supporter and National Supporter.

The **licensing rights** budget is USD 603 million, mainly in the area of brand licensing, where royalty payments are received due to contractual minimum guarantee thresholds exceeding the period value considerations.

Revenue from **hospitality rights and ticket sales** totals USD 508 million. Income from this stream is mainly allocated to the year of the FIFA World Cup™.

Other revenue consists of contributions from the FIFA Quality Programmes and other income streams, including rental income, income from penalties and appeals, income from the sale of video rights, and income from the FIFA World Football Museum. These income streams are fully recognised in the respective year's financial statements. The "other revenue" budget totals USD 263 million.

2019-2022 revenue budget by category



Investment in football to continue unchanged for the revised full 2019-2022 cycle, with a reduction in the expense budget to compensate for lower revenues

The budget for investments and expenses was established in line with FIFA's key activities, namely investments in international Competitions & Events, Development & Education and Football Governance, and expenses relating to FIFA Governance & Administration and the commercialisation of FIFA's Marketing & TV Broadcasting rights.

As a result of the concern raised by the COVID-19 pandemic, sports events everywhere were cancelled at the beginning of 2020. The resultant impact on FIFA's financials is reflected in the revised full-cycle budget for 2019-2022, as presented in this booklet.

Although the total investment budget remains in line with the activities that FIFA planned for the 2019-2022 cycle, there are changes to specific years of the cycle due to the postponement of football events and programmes. The key changes are outlined below:

The Olympic Football Tournaments that were due to take place in 2020 have been postponed until 2021. The tournament budget has been revised to include additional costs of USD 4 million, driven by rescheduling fees.

Youth tournaments due to take place in 2020 have been moved to 2021. Due to this shift, FIFA's youth competitions in both women's and men's categories will be held in the same year. The budget will remain unaltered, with no additional increases due to postponement fees.

Due to the COVID-19 pandemic, the FIFA Futsal World Cup™ has been delayed by one year, and will now take place in September/October 2021. The planned budget for the tournament remains at USD 22 million.

Savings may be achieved in connection with the 2018 FIFA World Cup Russia™ as cost accruals were not used in full.

FIFA will continue to invest a total of USD 1,746 million during the 2019-2022 cycle as part of the FIFA Forward 2.0 commitment to develop the game of football across the world. In order to help FIFA's member associations with immediate liquidity shortages, some of the operational and project funds were made available as COVID-19 support. Although this has no impact on the full cycle, it is expected that funds will be paid in earlier years than initially assumed.

FIFA has donated USD 10 million to the COVID-19 Solidarity Response Fund set up on behalf of the World Health Organization (WHO) to help in the fight against the coronavirus on a global scale.

Expenses will be kept under strict cost management in the area of FIFA Governance & Administration. It is expected that USD 44 million will be saved over the full cycle. The main driver behind the savings is the reduction in costs relating to the legal investigations due to the release of provisions that had been created for them.

Result before taxes and financial result confirmed in the revised full 2019-2022 cycle

Despite the disruption to the football world caused by COVID-19, FIFA has confirmed its initial target to deliver a result before taxes and financial result of USD 100 million while delivering all of its strategic objectives, as well as providing unprecedented financial support to the global football family through the emergency relief fund that it announced.

Total revenue and investment budget for the full 2019-2022 cycle (USD million)

	Full-cycle IFRS
Total revenue	**6,440**
FIFA World Cup Qatar 2022™	1,656
FIFA Women's World Cup™	157
FIFA Club World Cup™ (four editions)	86
FIFA youth tournaments	195
Other tournaments and events	38
Value in kind and other	140
FIFA Club Protection Programme	109
Personnel expenses	179
Depreciation of property and equipment	17
Competition & Events	**2,577**
FIFA Forward Programme	1,746
Technical development	85
Refereeing Assistance Programme (RAP)	42
Development offices, Executive Football Summits and administration	78
Other Development & Education programmes	176
Personnel expenses	148
Depreciation of property and equipment	89
Development & Education	**2,364**
Football governance bodies and third-party services	53
Personnel expenses	78
Depreciation of property and equipment	8
Football Governance	**139**
Legal and governance costs related to investigations	67
Annual FIFA Congress and committee meetings	90
Communications	88
Information technology	103
Buildings and maintenance	28
Other (including finance, executive office, ERP costs, insurance and auditors' fees, VIK)	133
Personnel expenses	389
Depreciation of property and equipment	27
FIFA Governance & Administration	**925**
Broadcasting and media rights	27
Marketing rights	82
Licensing rights	13
Sales commission and other	113
Personnel expenses	93
Depreciation of property and equipment	7
Marketing & TV Broadcasting	**335**
Total investment	**6,340**
Result before taxes and financial result	**100**

2020-2021 budget

Postponement of selected FIFA tournaments to 2021 impact 2020 revenues

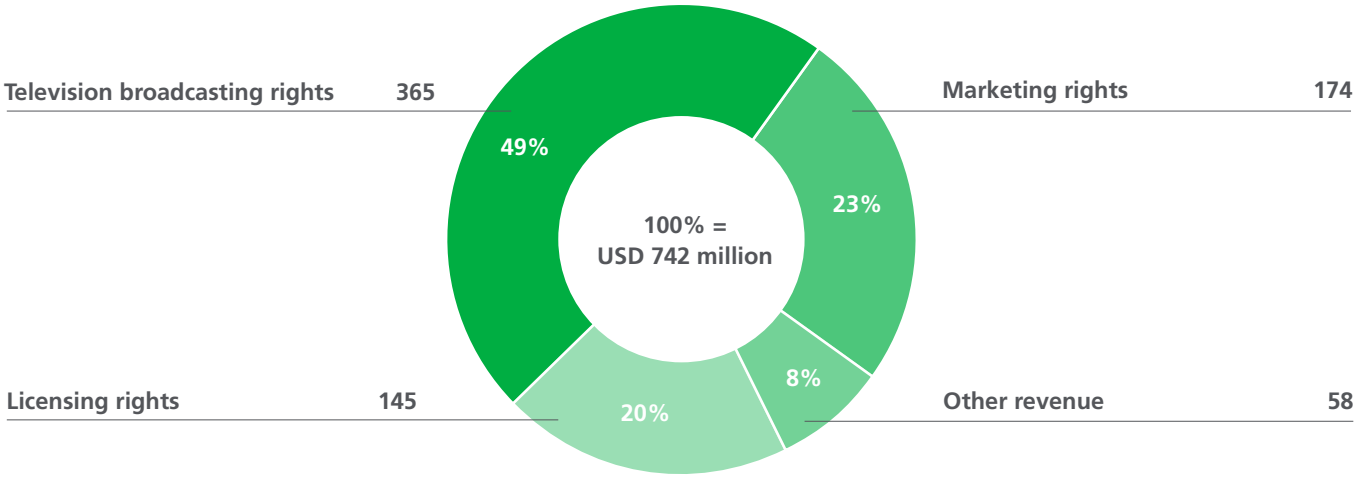
The 2019-2022 budget has been prepared in accordance with the rules and principles of IFRS. By applying IFRS 15, FIFA recognises the respective revenue in the year when the tournament takes place.

On 12 May 2020, the Bureau of the FIFA Council proposed new tournament dates for the FIFA U-17 Women's World Cup India 2020™, the FIFA U-20 Women's World Cup Costa Rica/Panama 2020™, and the FIFA Futsal World Cup Lithuania 2020™, subject to further monitoring of the situation in 2021.

The much-anticipated inaugural edition of the new FIFA club competition featuring 24 top teams from all six continents and to be held in China PR in 2021 was also postponed, with new dates to be confirmed. Since this event had not been included in the original budget, there is no impact from this shift.

It is important to note that the 2020 and 2021 revenue budget takes into account the financial aspects of the tournament postponements and the subsequent rescheduling in 2021. As a consequence of no event being staged during 2020, TV broadcasting revenue and most of the marketing rights revenue have been shifted to 2021, with no financial impact.

2021 revenue budget by category



Detailed investments and expenses budget for 2021

Expenses for **Competitions & Events** are shown in the same year as revenue is recognised, i.e. the year when the tournament is staged. As a consequence, the initial budget for 2020 sees the majority of expenses for the competitions and events due to take place in that year being shifted to 2021 in lockstep with the corresponding revenues.

Besides the events postponed from 2020 to 2021, the 2021 budget assumes that the following competitions will take place in 2021:

- 2021 youth tournaments include investment in the FIFA U-20 World Cup™ in Indonesia and the FIFA U-17 World Cup™ to be hosted by Peru. Total investment in men's youth tournaments will amount to USD 59 million.
- FIFA's planned investment for the annual FIFA Club World Cup™ in 2021 is USD 21 million, which is in line with the approved full-cycle budget.
- The 11th edition of the FIFA Beach Soccer World Cup™ will be held in Moscow, Russia. The total budget assigned for the tournament is USD 7 million.

In 2021, FIFA will invest a total of USD 437 million in **Development & Education** under FIFA Forward 2.0, as follows:

- Each member association will be entitled to receive USD 1 million for operational expenses in 2021: USD 500,000 for operational expenses in January, and a further USD 500,000 in July subject to fulfilment of certain conditions as outlined in the Forward 2.0 regulations.
- Member associations are also entitled to receive USD 2 million for specific projects at any point in the cycle. These funds are also available for each member association to convert their entitlement into operational funds for use as immediate relief to counter the impact of COVID-19. This revised budget assumes that a total of USD 137 million will be approved in 2020 and USD 106 million in 2021.
- Each confederation will receive USD 12 million in 2021.
- Additional funds for travel costs, other programmes and zonal/regional associations will be available for a total of USD 48 million.

Following the introduction of VAR technology at the 2018 FIFA World Cup™, FIFA will continue to train new referees across the world in new football technologies. Investment under the Refereeing Assistance Programme (RAP) will total USD 12 million in 2021.

The FIFA Foundation helps to tackle social issues affecting young people, empower women and girls to play football and realise their potential, and repair damaged or destroyed sports infrastructure worldwide. The 2021 budget to help achieve these objectives is USD 8 million.

Total investment in women's football programmes for 2021 is USD 15 million. The aim of FIFA's Women's Football Strategy is to promote the development of the women's game and support it financially as well as give women and girls the opportunity to become actively involved in football as players, coaches, referees and officials.

The **Football Governance** budget is USD 35 million for 2020 and USD 36 million for 2021, to be invested in football regulatory matters such as the judicial bodies, preventing match manipulation and the Transfer Matching System (TMS).

As mentioned above, **FIFA Governance & Administration** costs will be closely scrutinised. The legal costs budgets are lower than in previous years due to a reduced need for provisions for legal cases.

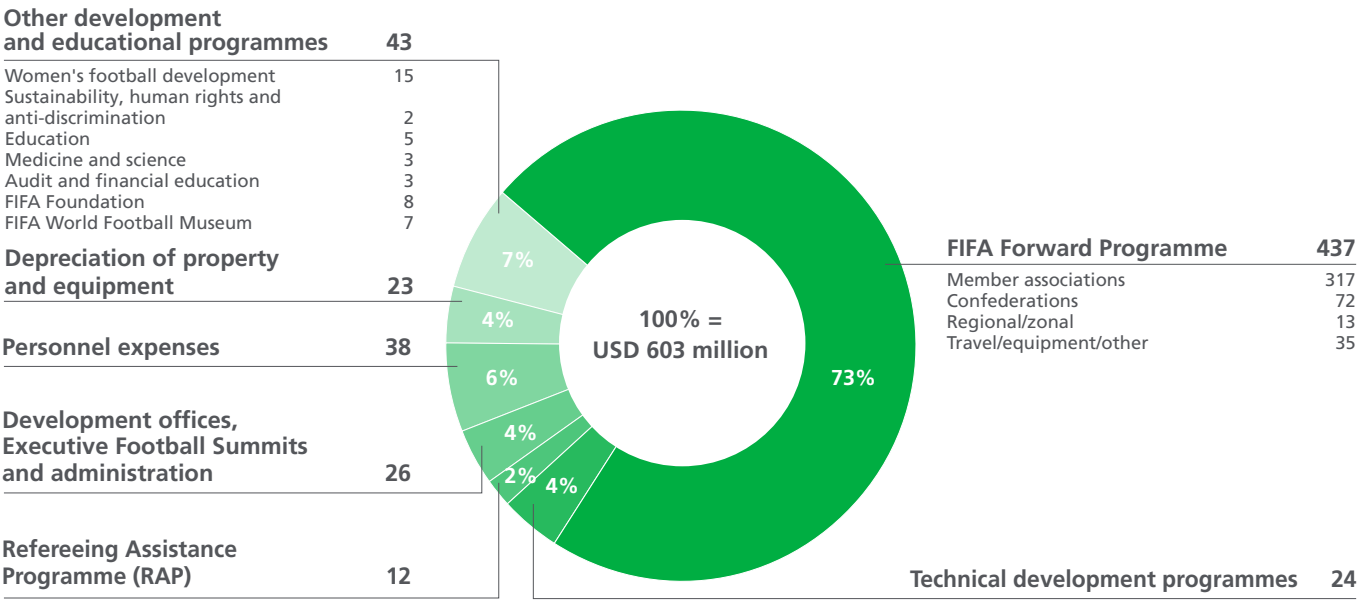
An investment of USD 22 million in 2021 will be dedicated to FIFA communications operations, with a special focus on developing FIFA's presence in the digital world to enhance the experience for football fans across the globe.

The information technology budget has increased compared to previous years due to the development of a new fan interaction management system.

The buildings and maintenance budget for 2020 and 2021 is significantly lower than in previous years, due to the optimisation of existing facilities, no planned renovation work and the adoption of the accounting reporting standard IFRS 16 – Leases.

FIFA's expenses for **Marketing & TV Broadcasting** activities have been kept at the same level as in previous years. FIFA will continue to develop the FIFA 2.0 vision by investing in the digital field.

Investment budget for Development & Education in the year 2021 (USD million)



Total revenue and investment budget for the years 2020 and 2021 (USD million)

	2020 IFRS	2021 IFRS
Total revenue	**250**	**742**
FIFA Futsal World Cup 2021™	-	22
Olympic Football Tournaments 2021	-	20
FIFA Beach Soccer World Cup 2021™	-	7
FIFA youth tournaments	-	103
FIFA Club World Cup™	22	21
FIFA eWorld Cup™	10	12
Blue Stars/FIFA Youth Cup	-	1
The Best FIFA Football Awards™	7	7
Value in kind and other	18	29
FIFA Club Protection Programme	26	25
Personnel expenses	35	49
Depreciation of property, plant and equipment	4	4
Competition & Events	**122**	**300**
FIFA Forward Programme	468	437
Technical development	15	24
Refereeing Assistance Programme (RAP)	7	12
Development offices, Executive Football Summits and administration	20	26
Other Development & Education programmes	52	43
Personnel expenses	35	38
Depreciation of property and equipment	23	23
Development & Education (for further details see previous page)	**620**	**603**
Football governance bodies and third-party services	13	14
Personnel expenses	20	20
Depreciation of property and equipment	2	2
Football Governance	**35**	**36**
Legal and governance costs related to investigations	18	19
Annual FIFA Congress and committee meetings	10	29
Communications	20	22
Information technology	26	27
Buildings and maintenance	7	7
Other (including insurance, consultancy and auditing costs, and value in kind)	34	33
Personnel expenses	89	95
Depreciation of property and equipment	7	6
FIFA Governance & Administration	**211**	**238**
Broadcasting and media rights	6	6
Marketing rights	18	25
Licensing rights	4	3
Sales commission and other	6	21
Personnel expenses	20	26
Depreciation of property and equipment	2	2
Marketing & TV Broadcasting	**56**	**83**
Total investment	**1,044**	**1,260**
Result before taxes and financial result	-794	-518

2019-2022 revised budget
2021 budget

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