



THE 50+1 RULE IN GERMANY

SUPPORTERS TOOLKIT

THE 50+1 RULE IN GERMANY: INTRODUCTION

“THIS MODEL, ALSO KNOWN AS THE 50+1 RULE, GIVES SUPPORTERS (MEMBERS) THE LEGAL RIGHT TO MAINTAIN THE CONTROL OF THE CLUB.”

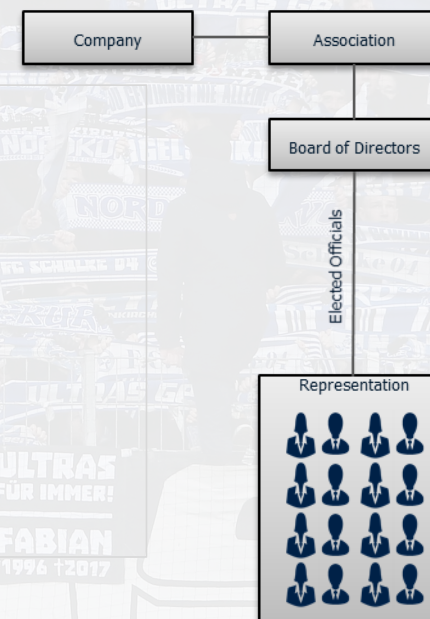
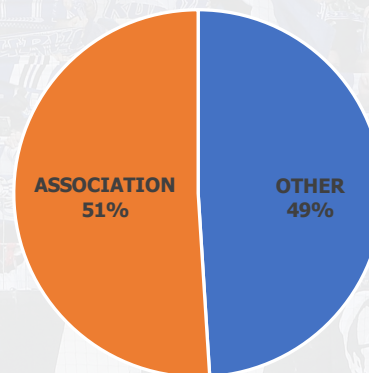
In what is seen as a healthy and well-run football culture, German sport has supporter ownership (and inclusion) embedded within its core.

The German Olympic Sports Association, or Deutscher Olympischer Sportbund (DOSB), allows for all its members to independently organise their own membership standards/rules.

To compete in any recognised competition of the German Football Association (DFB) and German Football League (DFL), the clubs must receive a sporting licence, Lizenz, to become a member of the league. In the top two tiers (Bundesliga & Bundesliga 2), they obtain that licence from the DFL, while the third tier and below are covered by the DFB. While legal structures vary, according to the DFB by-laws, members must ensure the clubs' associations have majority voting rights by a ratio of 50.01% control.

This model, also known as the 50+1 rule, gives supporters (members) the legal right to maintain the control of the club and its bodies, while permitting external investment and direct influence of minority shareholders. To find out more about the 50+1 rule in general, check out SD Europe's 7+1 models of influence [guide](#).

Control/Voting Rights



DEMOCRATIC VALUES: HOW 50 + 1 CAME TO BE

**“THUS SUPPORTERS, AND THEIR
RESPECTIVE ASSOCIATIONS HAVE THE
ABILITY TO APPROVE, REJECT, ELECT,
AND ALL OTHER MAJORITY DECISION
MAKING RIGHTS”**

In the 19th century, the German middle class founded clubs to organise their community interests: reading clubs, sailing clubs, riding clubs and, eventually, football clubs. The clubs were democratically run associations and officially registered clubs – or eingetragene Vereine (e.V.).

Historically, the German football clubs were non-profit member-run associations. The members oversaw organisational and sporting governance of their club. Over time, the perceived financial, organisational, and operational limitations of the structure in Germany became a subject of debate. The argument was a legal prohibition (non-profit law of re-investing all association profits) of incentives, such as financial returns for stakeholders limited the economic growth of the clubs. Additionally, the governance structure was under scrutiny. Major football clubs used the same legal framework as the local pigeon-fanciers society. Naturally, aspects that worked for smaller associations were considered inappropriate for larger football clubs by some. The governing bodies therefore introduced reforms, so the club governance structures resembled those of German companies more closely.

In 1998, this commercial interest of investment was addressed by the DFB altering the by-laws to allow clubs to own companies to operate the football departments. Today, 24 out of 36 clubs make use of this option and have set up a company for football operations. Twelve clubs are organised exclusively as member associations.

The by-law change crucially legally sought a limitation of investor influence, by ensuring commercial stakeholders would not have the majority decision making power. The rule stipulates that each club association must be the majority voting shareholder (50% + 1 vote) of the incorporated limited company.

Depending on the structure under the 50+1 rule, stakeholders are allowed to acquire 100% ownership shares, however cannot control more than 49.9% of the voting rights.

Indeed, German football companies can control certain aspects of the club, but each club has to have the majority decision-making-power structure of an association, as this is a sporting licence requirement.

Thus supporters, and their respective associations have the ability to approve, reject, elect, and all other majority decision making rights as per any other owner, respective of organisational by-laws.

Additionally, in 2000 at the DFB Congress in Mainz, 36 clubs from the Bundesliga & Bundesliga 2 founded their own member association called Ligaverband or the League Association to represent their interests as clubs. Since 2016, it has been called DFL Deutsche Fußball Liga e.V. The DFL Deutsche Fußball Liga e.V. has its own subsidiary to run day-to-day operations called the DFL Deutsche Fußball Liga GmbH.

IMPORTANCE OF THE RULE

**“IT IS ABOUT DEMOCRACY AT A LEVEL
WHERE PEOPLE CARE AND SEE THE
EFFECT OF DEMOCRATIC COMMITMENT.”**

The 50+1 law is a key pillar in democratic awareness. It is about democracy at a level where people care and see the effect of democratic commitment.

This rule intends to preserve the underlying value that football is for social good, and not just a business. Sport takes place in everyday lives, passionately and importantly, in their own communities. If the value is lived daily, it becomes valued in larger contexts - such as national government.

Stability and continuous financial health are a part of successful teams and communities. The DFB has implemented a legal protection of the interests of the clubs and fans in the 50+1 rule.

This literal ownership of a team is often highlighted as key reasoning behind high-level attendances, affordable ticket pricing, and the pyramid of well-run clubs German football boasts in comparison with the rest of the world.

EXCEPTIONS & CHALLENGES

“THERE IS AN EXCEPTION TO THE 50+1 RULE, THAT IS HIGHLY CONTROVERSIAL”

There is an exception to the 50+1 rule, that is highly controversial. The rule states if a private investor has invested substantially in a club for more than 20 years preceding 1 January 1999, the investor is allowed to own a majority voting power of the club.

The first two exceptions to this rule were Bayer Leverkusen and VfL Wolfsburg, set up by the workers at chemical company Bayer and automobile manufacturer Volkswagen respectively and 100% owned by these companies.

In 2015, Dietmar Hopp of TSG Hoffenheim was approved for full control, with the DFB and DFL highlighting the uninterrupted investment the club received from Hopp for 20 years, as per the exception.

Hannover 96 had a lengthy battle with Martin Kind, who sought full control. He eventually lost a vote for full control and withdrew his request after a long fight with the club's supporters and Germany as a whole.

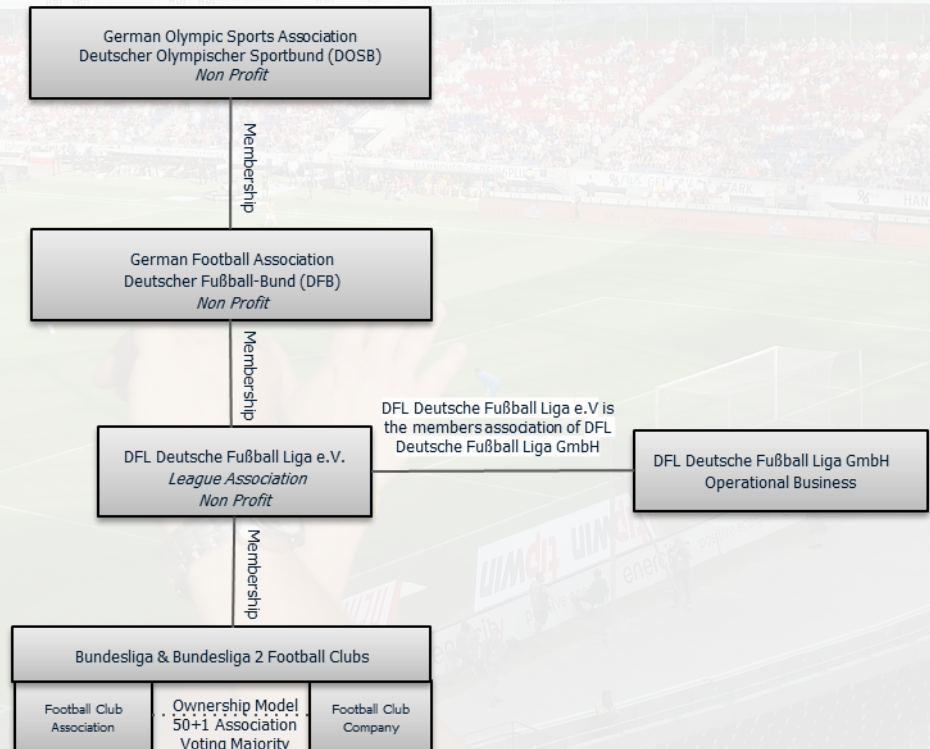
Perhaps one of the most famous examples, RB Leipzig, is a club which has found a way around the rule. Energy drinks producer Red Bull financially supports the club, structuring it as a member association with most of its members being Red Bull employees. The club restricted access to the membership and set the membership fees to the highest price possible according to law. As a result, there are few members with 'voting' rights. With Red Bull's investment, or ownership essentially, the club is now competing at the top of the Bundesliga.



NOT-FOR-PROFIT ASSOCIATION STRUCTURE

Germany has numerous types of organisational structures that can adhere to the 50+1 guidelines. German company laws offer structures with co-governance of companies and associations. Within the companies, there are partnerships (non incorporated) and corporate entities. Many types of companies overlap in terms of structures.

Associations can be divided into an economic business and non-economic/non-profit associations. Additionally, organisations can be various types of foundations, cooperatives, or associations which all have legal differences. Ultimately, there are numerous structures of ownership, mostly supporting methods of ensuring voting control.



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THANK YOU TO UNSERE KURVE FOR THEIR SUPPORT IN PREPARING THIS RESOURCE



V1. First Published
April 2021