

MANCHESTER CITY FINANCIAL CASE

DI Methodology, Complexity Analysis & Proposed Remediation

Comprehensive third-party report documenting the full analytical process, validation rigor, adversarial testing, and final remediation architecture

REPORT STATUS

Independent analytical methodology and proposed remediation framework. Commission findings and official procedural facts are distinguished throughout from DI inference, mathematical modeling, policy choices, and unresolved outcomes. This report does not represent an official sanction determination by the Premier League, UEFA, EFL, FIFA, or a court.

Analysis date: 29 September 2026

Prepared as a reconstruction of the complete analytical session and its iterative verification process.

Executive Summary

This report explains how the Manchester City financial case was converted from a large, legally complex factual record into a transparent DI complexity model and then into a proposed remediation architecture. The method was deliberately iterative: facts were separated from inference; quantitative claims were reconciled; causal pathways were mapped; candidate sanctions were tested for proportionality and double counting; innocent-party and system-wide externalities were introduced; and each visual artifact was repeatedly audited against the underlying analytical model.

Core methodological principle

Do not jump from “serious misconduct” directly to “maximum punishment.” First determine what was proved, what harm classes logically follow, what remains uncertain, which remedy addresses each harm, and what collateral damage the remedy itself creates.

The final proposed architecture is summarized as:

$$R^* = H + D2 + R0 + C9 + IP + SII$$

Component	Meaning	Purpose
H	Preserve historical titles, cups and match results	Avoid invented counterfactual history; sanction prospectively.
D2	Compulsory demotion by two tiers	Create an extraordinary institutional sporting consequence short of permanent destruction.
R0	Zero retained current men’s first-team registrations	Remove inherited sporting stock while protecting player economics.
C9	Nine-season controlled reconstruction, 50%-80% peer/tier benchmark corridor	Prevent rapid re-creation of the advantage; duration mirrors the nine-season misconduct period.
IP	Innocent-party protection	Keep the cost concentrated on the institution rather than players, ordinary employees, academy, community and suppliers.
SII	Systemic Impact Index and annual review	Measure exported harm to broadcasting, commercial partners, employment, the football pyramid, Europe and local communities.

1. Scope, Purpose and Epistemic Discipline

The analysis had two distinct objectives. First, reconstruct the financial case in a way that a non-specialist could understand without collapsing legal findings, accounting effects, regulatory consequences and football-system impacts into one undifferentiated narrative. Second, design a remediation framework that responds to the scale and duration of the misconduct while minimizing avoidable harm to people and institutions that did not cause it.

1.1 Three evidence states

State	Definition	Examples in this work
FOUND FACT	Directly supported by the Commission decision or Premier League statement.	Nine-season period; financial misstatements; quantified revenue/cost effects; spending-rule failures; cooperation findings.
DI INFERENCE / ANALYSIS	A reasoned downstream conclusion or system model, not itself a Commission finding.	Potential effects on other clubs, player markets, broadcasters, sponsors, lower leagues and communities.
UNRESOLVED / PROPOSED	Not yet officially determined, or a policy choice created by this analysis.	Sanction; precise harm to individual clubs; appeal outcome; two-tier demotion; 50%-80% corridor.

This separation became a hard control in the visual work: every downstream claim had to be labeled so that the graphic could not visually convert an analytical hypothesis into an official finding.

2. Primary-Source Baseline and Initial Verification

The starting point was the Premier League referral structure and the later Commission/League materials. The 2023 referral identified alleged failures to provide accurate financial information across 2009/10 through 2017/18 and cooperation obligations during the investigation. Premier League procedural guidance confirms that independent Commissions may impose fines, points deductions and other sporting sanctions, and that appeal mechanisms exist. The session then reconciled the 29 September 2026 Commission outcome and the League's summary into a compact factual baseline.

Verified baseline	Treatment in analysis
Nine seasons: 2009/10-2017/18	Used as both the factual duration of serious financial misconduct and, later, as a transparent symmetry benchmark for remediation duration.
Owner funding / disguised funding arrangements	Mapped as the upstream causal source rather than treating each accounting entry as an isolated event.
Revenue overstatement > £830m	Kept as a Commission/League quantitative finding; not converted directly into points.
Additional expense understatement / Fordham effects	Kept as separate accounting effects; no naive summation beyond the official >£900m aggregate characterization.
Applicable PL and UEFA spending requirements failed by very substantial amounts	Used to connect accounting distortion to regulatory consequence.
Intentional circumvention and serious cooperation/witness findings	Used as severity/intent dimensions, not as an excuse to multiply every sanction mechanically.
All serious financial charge groups proved; 3 of 4 cooperation/ good-faith groups proved	Used to correct the oversimplified phrase "all charges proved."

3. Complexity Decomposition: From Transactions to System Effects

The first DI transformation was to replace a list of allegations with a causal graph. This was essential because a sanction cannot be reasoned about correctly unless the mechanism of advantage is separated into stock, flow, regulatory and externality effects.

**Owner Funding -> Disguised Funding Scheme -> Sham Arrangements -> Revenue Up / Costs Down
-> Misstated Accounts -> Distorted Regulatory Calculations -> Spending-Rule Failure**

3.1 Why the causal chain matters

A list of monetary figures can make the case appear to be a simple “£900m problem.” DI rejected that framing. The accounting distortion is an upstream mechanism. The relevant sporting questions concern how those distortions may have affected resource deployment, squad accumulation, compliance positions and market behavior over time. Conversely, the Commission did not mathematically establish that a given number of pounds produced a given trophy, point total or loss to a particular rival. That downstream layer therefore remained analysis rather than fact.

3.2 Stock versus flow

A key conceptual breakthrough was distinguishing accumulated sporting capital from annual spending capacity. A future spending restriction controls flow, but it does not automatically remove the existing stock of players and competitive capability accumulated under the prior regime.

Competitive Position(t) = Accumulated Sporting Stock(t) + Current Resource Flow(t) + Other Factors

This distinction later became the rationale for pairing a roster reset (stock correction) with a multi-year reconstruction constraint (flow correction).

4. First Mathematical Sanction Model and Why It Was Not Enough

The first quantitative model attempted to calibrate severity using duration, intent, materiality, regulatory consequence and cooperation conduct. A central illustrative points model produced a range of roughly 37-87 points, with a 60-point central case. This was useful as a stress test, but it was not adopted as the final remedy.

Illustrative Points = (Duration x Baseline x Intent Multiplier) + Cooperation Component

The analysis explicitly rejected the tempting calculation of dividing the >£900m accounting effect by a contemporary per-point financial threshold. The accounting distortion was not equivalent to a single modern PSR/ SCR excess, and such a conversion would create false mathematical precision.

Rejected shortcut

Do not calculate “£900m / £X per point = Y points.” Different accounting categories, historical rules, time periods and competitive mechanisms make that transformation invalid.

The points exercise nevertheless exposed a deeper problem: a large present-day deduction primarily affects the current squad and current opponents, whereas the misconduct occurred over an earlier nine-season period. That temporal mismatch pushed the analysis toward structural remediation rather than a single-season score penalty.

5. Transition to Structural Remediation

The next iteration introduced three structural concepts: a complete current first-team reset, compulsory demotion by two tiers, and a long-duration resource constraint. These were not initially accepted as self-proving. Each was attacked for arbitrariness, legality, collateral harm and double counting.

5.1 Two-tier demotion

Two tiers was treated as a policy parameter rather than a theorem. Its analytical role is to create an extraordinary institutional sporting consequence materially beyond ordinary relegation, while stopping short of permanent expulsion or institutional destruction. The model therefore places it between conventional league penalties and the most extreme remedy.

5.2 Roster reset

The objective is not to punish innocent players. It is to remove inherited sporting stock. The original idea of automatically terminating all contracts was modified after adversarial review because that would export the sanction to people who did not commit the historical financial misconduct.

City Sporting Registration Retention -> 0, while Player Contractual / Economic Rights remain protected

The exact legal mechanism would require separate employment, football-registration and governing-body analysis. The DI model specifies the sporting state to be achieved, not an assertion that a particular contract-termination mechanism is presently lawful.

5.3 Transfer-proceeds quarantine

A further attack identified a loophole: if the forced roster reset allowed City to sell the squad and immediately use all proceeds to rebuild, the reset could convert sporting stock into reconstruction cash. The model therefore quarantines net proceeds from unrestricted men's first-team rebuilding during the extraordinary control period, while allowing protected obligations and approved non-competitive uses.

6. Deriving the Nine-Season Reconstruction Constraint

The user proposed a 50% spending constraint lasting nine years. DI separated the two questions: duration and magnitude. Nine seasons has a transparent symmetry with the proved nine-season misconduct period; 50% is a policy floor, not a uniquely derived mathematical constant.

$$D_{\text{remediation}} / D_{\text{misconduct}} = 9 / 9 = 1$$

The original "50% of spending" concept was also refined. A City-revenue denominator would fail because a club with very large revenues could still overwhelm a lower division. The correct conceptual denominator must be peer- or tier-relative.

$$50\% \leq C(t) \leq 80\%, \quad t = 1, \dots, 9$$

The 50%-80% corridor became a controlled parameter range. The floor ensures the restriction remains extraordinary; the upper boundary limits how far regulators can relax the constraint in response to measured collateral damage. The precise peer/tier benchmark should be defined independently and transparently rather than hard-coding a simple mean.

Rule	Reason
Constraint lasts nine consecutive seasons	Temporal symmetry and sustained reconstruction discipline.
Promotion does not end the constraint	Prevents rapid escape by sporting success.
Relegation does not reset the clock	Avoids extending punishment merely because performance deteriorates.
Ownership change does not terminate it	Keeps the remedy attached to the institutional condition being corrected.
Peer/tier-relative benchmark	Prevents large historic revenues from overwhelming lower-tier competitors.
50%-80% corridor	Allows controlled adaptation without converting systemic-impact review into cancellation of the sanction.

7. Preserving History: Why Titles and Results Remain

The analysis deliberately separated historical recognition from prospective institutional accountability. Titles, cups and historical match results remain unchanged in the proposed model.

Titles Removed = 0 | Cups Removed = 0 | Historical Results Altered = 0

The reason is not that financial misconduct is irrelevant to sporting outcomes. The reason is epistemic: removing Manchester City from a historical season does not allow a reliable reconstruction of the alternative season. Fixtures, tactics, transfers, injuries, qualification, goal difference and strategic decisions interact. “City absent” is not mathematically equivalent to “the runner-up becomes champion.” The proposal therefore avoids manufacturing counterfactual winners while imposing forward-looking institutional consequences.

8. Innocent-Party Protection and the Externality Problem

The analysis then widened beyond City as a legal entity. A severe sanction propagates through a network: players, coaches, ordinary employees, academy participants, stadium operations, suppliers, local businesses, community programs, supporters, lower-league clubs, broadcasters, sponsors and European competition. This produced a governing principle:

Maximum Institutional Accountability + Minimum Avoidable Innocent-Party Harm

This is why permanent expulsion was rejected in the proposed architecture. Permanent destruction may maximize the direct institutional consequence, but it can also create large irreversible costs outside the responsible decision-making structure. The model instead seeks a sanction severe enough to remove inherited advantage and deter misconduct while preserving the institution and the wider ecosystem where possible.

8.1 Protected categories

- Current players: contractual and economic rights protected; fair transfers or buyouts supported.
- Coaches and ordinary employees: avoid making historical misconduct a basis for indiscriminate economic loss.
- Academy, community, safety, accessibility and stadium operations: not automatically swept into a men’s first-team competitive spending cap.
- Suppliers and local businesses: included in systemic-impact monitoring.

- Non-culpable supporters: historical identity and observed results preserved.

9. Systemic Impact Index (SII)

Once collateral damage was recognized as part of the problem, the sanction itself became a system intervention requiring measurement. The Systemic Impact Index was introduced to prevent remediation from being treated as a one-time punitive event with no feedback loop.

$$SII = wB*B + wC*C + wE*E + wF*F + wU*U + wL*L$$

Dimension	What is monitored
B - Broadcasting / media	Product value, audience effects, contract consequences and scheduling/product implications.
C - Commercial / sponsorship	Market value, sponsor relationships, brand association and contract effects.
E - Employment / supply chain	Players, staff, suppliers, local economic activity and dependent services.
F - Football pyramid	Competitive balance, promotion/relegation effects and lower-league economic stability.
U - UEFA / European competition	Qualification, competition balance, regulatory interactions and reputational effects.
L - Local / community	Supporters, community programs, local businesses and institutional continuity.

The weights should be published before use and measured independently. SII does not erase the sanction. Its role is to inform controlled movement within the 50%-80% reconstruction corridor and identify unintended harm requiring mitigation.

10. Double-Counting Control

A central DI control was to ask whether multiple sanctions were punishing the same harm twice. Once the model included two-tier demotion, roster reset and a nine-season reconstruction constraint, a giant additional points deduction became less attractive because it could duplicate the sporting consequence without addressing a distinct harm class.

Potential measure	Final treatment	Reason
Large additional points deduction	Not required in the proposed architecture	Risks double counting after demotion + roster reset + long constraint.
Historical title stripping/reallocation	Rejected	Counterfactual reconstruction is unreliable and can create arbitrary beneficiaries.
Permanent expulsion	Rejected	Potentially excessive exported/systemic harm and institutional destruction.
Uncompensated player contract cancellation	Rejected	Transfers punishment to innocent players and raises major legal issues.
Simple 50% of City revenue rule	Rejected	Could still allow City to overwhelm a lower division.

Potential measure	Final treatment	Reason
Naive £900m-to-points conversion	Rejected	False equivalence between accounting distortion and modern threshold excess.

11. Final Remediation Architecture

After iterative decomposition and adversarial testing, the final proposed architecture is intentionally modular. Each component has a distinct job.

$$R^* = H + D2 + R0 + C9 + IP + SII$$

Module	Operational description	Harm addressed
H	Preserve titles, cups and historical results.	Avoid false historical reconstruction and arbitrary retrospective beneficiaries.
D2	Compulsory two-tier demotion at the next eligible season.	Institutional sporting accountability.
R0	No current men's first-team registrations retained; rebuild under controlled conditions.	Inherited sporting stock.
C9	Nine consecutive seasons at 50%-80% of a defined peer/tier squad-cost benchmark; no reset on promotion, relegation or ownership change.	Future resource-flow advantage and rapid reaccumulation.
IP	Protect player economics, ordinary employees, academy/community and other non-culpable participants.	Collateral harm and attribution.
SII	Annual independent monitoring of broader football/economic effects.	Systemic externalities created by the remedy itself.

12. Annual Control Loop

The remediation is not a static nine-year sentence. It is a governed control loop with fixed boundaries.

1. Begin the extraordinary reconstruction period at the restrictive end of the approved 50%-80% corridor.
2. Measure competitive balance, compliance, employment, commercial, pyramid, European and local/community effects using the SII framework.
3. Independently verify squad-cost calculations, related-party transactions, transfer/wage controls and disclosure obligations.
4. If City remains capable of overwhelming the relevant tier or circumvention risk remains high, keep the constraint toward the restrictive end.
5. If independently measured collateral harm becomes disproportionate while integrity controls remain effective, permit movement toward the upper boundary - never above 80% during the nine-season period.
6. Do not terminate or restart the nine-season clock because of promotion, relegation or ownership change.
7. At the end of nine seasons, extraordinary controls expire and ordinary applicable rules resume, subject to any separate violations.

13. Iterative Visual Verification and Reconciliation

The visual artifacts were treated as analytical outputs requiring their own validation, not as decorative summaries. Image generation repeatedly introduced small but meaningful wording or structural errors, so each render was audited line by line against the model.

Iteration	Issue found	Correction
Complexity Map V1	Could imply “all charges” without qualification.	Separated serious financial charges from cooperation/good-faith charge groups.
Complexity Map V2	“10 total charges” could conflict with the public “115 charges” description; historical PSR terminology too broad.	Changed to 10 consolidated Core Decision charge groups / underlying allegations commonly described as 115; used historical financial/spending-rule terminology.
Complexity Map V2.1	Funding/investigation wording could be more exact.	Changed “channeled” to disguised commercial-partner revenue framing; changed purpose-laden investigation wording to effect-based “frustrated and impeded.”
Complexity Map V2.2	Final sanity check identified only a minor rendering blemish.	Content architecture frozen as substantively verified/reconciled.
Remediation Workflow V1	Image generator substituted a generic sanctions/compliance menu for the actual report.	Rejected and rebuilt around H + D2 + R0 + C9 + IP + SII.
Remediation Workflow current	Final sanity check found numbering jump and benchmark wording issue.	Recommended Stage 7 -> Stage 6 and “league average” -> “peer/tier benchmark”; architecture otherwise reconciled.

This iterative process is part of the rigor. A graphic labeled “verified” was not accepted merely because the source prompt was correct. The rendered text itself had to survive reconciliation.

14. Current Remediation Workflow Visual

The following workflow is the current visual synthesis of the approach. It should be read as a proposed DI remediation framework layered on top of the verified Commission findings, not as an official sanction order.



Figure 1. DI reviewed and reconciled remediation workflow generated during the analytical session.

15. What Is Proven, What Is Proposed, What Still Requires Work

Category	Status	Remaining work
Commission factual findings and quantified accounting effects	Verified baseline for this analysis	Continue to use primary materials; update if appeal or corrected/redacted materials change the record.
Causal financial architecture	Strongly reconciled to findings	No major conceptual change required.
Downstream competitive/economic effects	DI analysis, not Commission findings	Would require club-by-club, market, broadcast and econometric quantification.
Two-tier demotion	Proposed policy parameter	Requires governing-body jurisdiction/rule analysis and proportionality review.
Roster reset	Proposed sporting-state correction	Requires detailed employment, registration, transfer and compensation implementation analysis.
50%-80% corridor	Proposed control range	Benchmark methodology and annual movement rules should be specified using actual tier distributions.
Nine-season duration	Transparent symmetry rule	Policy choice; defensible but not mathematically compelled.
SII	Proposed feedback/control mechanism	Weights, measurement sources, governance and publication protocol require formal design.
Historical preservation	Proposed principle	Requires policy acceptance; mathematically avoids unsupported counterfactual reallocation.
Appeal / official sanctions	Unresolved	Must be updated when officially determined.

16. Reproducible DI Review Protocol for Third Parties

A third party can reproduce the reasoning without accepting the proposed sanction by following this protocol:

8. Acquire the primary decision, League statement, applicable historical rule texts and procedural materials.
9. Create a claim ledger: exact finding, source location, period, amount, evidentiary status and any qualification.
10. Separate accounting mechanisms into revenue inflation, expense understatement, related-party/funding treatment and other classifications.
11. Construct the causal graph from funding source to financial statement to regulatory calculation to compliance consequence.
12. Do not infer trophies, points or rival-club damages from accounting values without a separate causal/econometric model.
13. Define harm classes before selecting remedies: institutional misconduct, inherited sporting stock, future resource flow, competitive distortion, investigation failure and systemic externalities.
14. Map each candidate remedy to one or more harm classes and identify overlap. Remove or justify double counting.

15. Run adversarial tests: legality, attribution, proportionality, enforceability, gaming/circumvention, innocent-party harm, lower-tier distortion and broader ecosystem effects.
16. Parameterize uncertain policy choices rather than disguising them as mathematical certainties.
17. Introduce a feedback mechanism so the remedy itself is monitored for systemic harm without allowing that monitoring to nullify accountability.
18. Audit every public-facing visual or summary independently against the claim ledger and model. Treat wording drift as a substantive defect.

17. Final DI Assessment

The analytical process produced a coherent remediation architecture because it did not treat punishment as a single scalar. It decomposed the problem into history, institutional accountability, inherited sporting stock, future resource flow, innocent-party protection and systemic feedback. The resulting proposal is severe by design, but its severity is targeted rather than indiscriminate.

Sanction Quality = Integrity Restored + Accountability + Deterrence - Avoidable External Harm - Double Counting

The principal remaining uncertainties are not hidden: two tiers, the exact 50%-80% benchmark implementation and the nine-season symmetry are policy parameters; player-registration implementation requires legal work; and downstream economic harm requires separate quantification. Those limitations are features of the methodology, not omissions: the report distinguishes what the evidence proves from what the model proposes.

DI STATUS

Methodology: RECONCILED. Factual/quantitative baseline: VERIFIED TO THE PRIMARY MATERIALS USED IN THE SESSION. Remediation architecture: COHERENT PROPOSAL, SUBJECT TO FORMAL LEGAL, GOVERNING-BODY AND ECONOMIC IMPLEMENTATION ANALYSIS.

Sources and Reference Materials

Premier League - 6 February 2023 referral statement: [Premier League statement](#)

Premier League - investigations, independent Commissions and appeals procedural guidance: [Premier League procedural statement](#)

Premier League - 29 September 2026 Manchester City statement: [Manchester City FC statement](#)

Independent Commission - 29 September 2026 Redacted Core Decision: [Redacted Core Decision PDF](#)

Note: The 29 September 2026 URLs above were the primary materials used and repeatedly reconciled during the session. The public web retrieval layer available during final report assembly did not reliably re-open those two newly published URLs, so this report preserves the verified session findings and clearly distinguishes them from the independently searchable 2023 referral/procedural materials.