

Part One – the Common Ownership of Sports Teams and Mohed Altrad's Aborted Investment in Gloucester RFC

Article By:

Phil Bonner

Earlier this month, it was announced that Premiership Rugby had voted against a proposed investment in Gloucester RFC by the France-based billionaire Mohed Altrad.

Under the terms of the proposed investment, Altrad would have purchased a 45% stake in the Cherry and Whites, who compete in the Aviva Premiership and will face Stade Français in the final of the European Rugby Challenge Cup, European Rugby Union's second tier competition, on 12 May 2017.

However, the board of Premiership Rugby, which comprises of a representative of each of the twelve clubs who currently compete in Rugby Union's top tier, voted to restrict that investment to just 20%, despite Altrad having already scaled down his original plan to purchase a 55% stake in Gloucester RFC to 45%.

In the first of two instalments, Sports Shorts will consider why Premiership Rugby restricted Altrad's investment in Gloucester and the wider repercussions this investment potentially posed for European Rugby Union.

Why was Premiership Rugby only prepared to allow a 20% investment in Gloucester RFC?

Commenting on the decision, Altrad confirmed that, in addition to reducing his proposed investment in the West Country outfit, he had also offered what he described as "*even further commitments*" to Premiership Rugby, a subtle hint to the concerns that have surrounded Altrad's proposed investment since it first came to light.

Altrad currently owns another professional European Rugby Union club, Montpellier, who compete in the Top 14, the premier division in French Rugby Union. It is likely that those "*further commitments*" were an attempt to address concerns held by Premiership Rugby, and other key stakeholders in European Rugby Union, regarding an individual (or a company controlled by an individual) holding a substantial stake in two European Rugby Union clubs and the conflicts of interest that could arise should those teams compete in the same competition.

Indeed, sports regulators will always view common ownership of competing clubs (or clubs that could

potentially compete with one another) with a healthy degree of suspicion, given that it threatens to undermine a key feature of successful sport: namely, confidence in the integrity of the competition.

Given Premiership Rugby's decision to only give its blessing to Altrad purchasing a 20% stake in Gloucester RFC, it seems that the assurances offered by Altrad were not sufficient to assuage the concerns held by its Board. Indeed, Premiership Rugby's decision to only provide its blessing for a 20% investment in Gloucester RFC may have been influenced in part by the current rules of the French Ligue Nationale de Rugby, which also sets the maximum level of investment which an owner of a French club may have in another club at 20%.

Following the announcement of the decision, Altrad was quick to express his disappointment, stating that *"I have still not received any substantive reasons why our safeguards were insufficient, beyond a sense of general discomfort with dual interests"*.

Altrad's hopes are likely to have been raised in April 2017, after it was reported that the proposed investment was set to receive the blessing of European Professional Club Rugby ("**EPCR**"), the governing body and organiser of the European Rugby Champions Cup and the European Rugby Challenge Cup. Those reports stated that assurances had been provided to EPCR regarding the potential conflict of interests that could arise should Gloucester and Montpellier ever simultaneously compete in either of its competitions.

Commenting on the assurances that had been provided to the ECPR, its Chairman, Simon Halliday, stated in April 2017 that *"I have guaranteed to both Montpellier and Gloucester that if there is any sleight of hand at any level they're out of the competitions, sine die... We've said: 'Go and take the risk, guys, if you want to, but you won't get away with it.' We have no intention of compromising these two great clubs"*.

However, given Premiership Rugby's subsequent decision to only countenance a 20% controlling stake for Altrad in Gloucester RFC, the ECPR will no longer have to keep an eye out for any sleight of hand from either party.

Next week's instalment

In the second instalment, Sports Shorts will consider how common ownership is regulated in football, both in UEFA competitions (with particular reference to the Court of Arbitration for Sport's seminal decision on common ownership in *AEK Athens and SK Slavia Prague v UEFA*) and will outline how the issue of common ownership is addressed by the key stakeholders in English football.

[Part 2](#)

© Copyright 2025 Squire Patton Boggs (US) LLP

National Law Review, Volume VII, Number 118

Source URL: <https://natlawreview.com/article/part-one-common-ownership-sports-teams-and-mohed-altrad-s-aborted-investment>