



Reform of FIFA's Players' Agents System

Regulations on working with Intermediaries

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Background of the current system

- ❑ FIFA regulates activity of players' agents since 1991
 - licence issued by FIFA
- ❑ Various minor adaptations in 1994 and 1995
- ❑ Essential revision in 2000: new edition of the regulations coming into force on 1 March 2001
 - licence issued by associations
 - professional liability insurance
 - written examination
 - licence issued for unlimited period of time





Background of the current system

- ❑ The current FIFA Players' Agents Regulations were approved by the FIFA Executive Committee on 29 October 2007 and came into force on 1 January 2008.
- ❑ Main target of the mentioned regulations:
 - to enable FIFA to enhance control on the activity of Players' Agents by means of provisions also binding at a national level and more severe sanctions in case of non-compliance.





Background of the current system

- ❑ According to FIFA, a recent analysis of the current system determined that the following difficulties are faced by such system:
 - Only 25 to 30% of the international transfers are concluded through licensed agents;
 - Difficult implementation of the system of licensing involving FIFA and the NAs;
 - Conflicts between the FIFA regulations and national laws in some countries;
 - Existence of parallel mechanisms: non-licensed agents;
 - Complications for the negotiation of contracts.





Revision of current system

- ❑ On 3rd June 2009, a decision in broad support of an in-depth reform of the players' agents system through a new approach based on the concept of intermediaries and thorough discussion with club and player representatives was taken at the 59th FIFA Congress by its member associations.
- ❑ A working group was created by FIFA to deal with such a reform.
- ❑ The working group analysed and explored in detail a possible solution.
- ❑ A possible completely new approach could therefore be to regulate the conduct of clubs on the one hand and players on the other hand, and extending the scope of the regulations to all kind of intermediaries.





Revision of current system

- The working group met on July, September, November 2009 and May, August 2010.
- According to FIFA the aim of conducting a review of the system that regulates agents is not to “*deregulate*” the mentioned profession, but to seek a broader control over intermediaries.
- The following topics need to be taken into account when drafting any new regulations based on the concept of intermediaries: transparency; values of fees; conflicts of interest; and, education.
- The working group has drafted a “*working paper*” of the possible future “*Regulations on working with intermediaries*” which incorporate the concept of intermediaries.





Regulations on working with intermediaries

- ❑ The following principles are included in the FIFA draft:
 - Application of regulations to players and clubs that engage the services of intermediaries;
 - Intermediaries have no link to FIFA;
 - Written contract between intermediaries and clubs/players;
 - Conflict of interests;
 - Registration system of intermediaries (implemented by the member associations and through the information provided by their affiliated clubs and/or registered players);
 - Disclosure and publication of remunerations made to intermediaries;
 - Restrictions on payments made to intermediaries;
 - Non payment of commission to intermediary if involved player is a minor;
 - Invalidation of current FIFA Players' Agents Regulations.





Regulations on working with intermediaries

Intermediary (art. 1 of the Regulations):

A natural or legal person who, for a fee or free of charge, represents players and/or clubs with a view to negotiating an employment contract or represents clubs in negotiations with a view to concluding a transfer agreement.

Scope of the Regulations:

Provisions are aimed at players/clubs that engage the services of an intermediary to:

1. Negotiate an employment contract between a player and a club;
2. Conclude a transfer agreement between clubs.





Regulations on working with intermediaries

The associations will be required to implement and enforce the new regulations, subject to the mandatory laws and regulations applicable to the associations. In addition, they shall draw up their own regulations which shall incorporate the principles established in the new regulations and may only deviate from these regulations where the provisions of the latter do not comply with the mandatory laws or regulations applicable to the association (art. 1 of the Regulations).





Regulations on working with intermediaries

General (art. 2 of the Regulations):

Players and clubs who involve intermediaries in negotiating an employment contract or negotiating the conclusion of a transfer agreement shall take all reasonable steps to ensure that these intermediaries comply with all the relevant provisions contained in the various Statutes and Regulations of associations, confederations and FIFA and also, that in carrying out their activities, these intermediaries comply with all mandatory provisions of applicable national law, including, but not limited to, those relating to job placement (art. 2 of the Regulations).





Regulations on working with intermediaries

Registration of intermediaries (art. 4 of the Regulations):

1. For the sake of transparency and in order for an intermediary to be able to operate and/or conduct business in the territory of an association, each association is required to implement a registration system for intermediaries who wish to carry out such activities on its territory.
2. Players and clubs who involve intermediaries in negotiating an employment contract and/or a transfer agreement are required to inform their respective association of the name, contract details and any other information required by the association, of such intermediaries. Such notification must be made each time any activity within the scope the Regulations takes place.
3. The aforementioned notification must be made by clubs to the association to which they are affiliated and by players to the association of their new club or current club in the case of renegotiation of an employment contract .





Regulations on working with intermediaries

Representation contract (art. 5 of the Regulations):

The main points of the legal relationship entered into between a player and/or club should be recorded in writing prior to the intermediary commencing his activities. The representation contract must contain the following minimum details: the names of the parties, the duration, the remuneration due to the intermediary, the general terms of payment, the date of completion, the termination provisions and the signature of the parties.





Regulations on working with intermediaries

Disclosure and publication (art. 6 of the Regulations):

1. Players and/or clubs are required to disclose to their respective association the full details of any and all agreed remunerations or payments of whatever nature they have made or to be made to an intermediary. In addition, players and/or clubs shall disclose -upon request- all agreements with intermediaries in connection with activities described in these regulations to the competent bodies of the leagues, associations, confederations and FIFA, for the purpose of their investigations.
2. Associations shall make publicly available at the end of March of every calendar year the total amount of all remunerations or payments made to intermediaries by their registered players and by each of their affiliated clubs. What shall be published are the consolidated figure for all players and the individual clubs' consolidated figure. In this respect, each association is required to implement a publication system in order to comply with the aforementioned requirement.



Regulations on working with intermediaries

Payments to intermediaries (art. 7 of the Regulations):

1. The total amount of remuneration due to an intermediary who has been engaged to act on a player's behalf shall not exceed 3% of the player's basic gross income for the entire duration of the contract, including any signing-on fee. Such amount shall not include the player's other benefits, including in kind, such as a car, a flat, point premiums and/or any kind of bonus or privilege which is not guaranteed.
2. Clubs which contract the services of an intermediary shall remunerate him by payment of a lump sum agreed in advance. If agreed, such a payment may be made in instalments.





Regulations on working with intermediaries

- The total amount of remuneration due to an intermediary who has been engaged to act on a club's behalf for negotiating a transfer agreement shall not exceed two million dollars (USD) or 3% of the eventual transfer fee paid in connection with the relevant transfer of the player, whichever is lower.
- The total amount of remuneration due to an intermediary who has been engaged to act on a club's behalf for negotiating an employment contract shall not exceed two million dollars (USD) or 3% of the player's eventual basic gross income for the entire duration of the contract, as described in par. 1 above, whichever is lower.
- In case the agreed lump sum is higher than 3% of the actual transfer fee paid in connection with the transfer of the player, or respectively, higher than 3% of the player's agreed basic gross income, such amount shall be reduced accordingly.



Regulations on working with intermediaries

- Any payment for the services of an intermediary shall be made exclusively by the client of the intermediary to the intermediary.
- After the conclusion of the relevant transaction and subject to the club's agreement, the player may give his written consent for the club to pay the intermediary on his behalf.
- Players and/or clubs who engage the services of an intermediary when negotiating an employment contract and/or a transfer agreement, are prohibited from making any payments to such intermediary if the player concerned is a minor.



Regulations on working with intermediaries

- Conflicts of interest (art. 8 of the Regulations):
 - Prior to engaging the services of an intermediary, players and/or clubs shall ensure that no conflicts of interest exist or are likely to exist either for the players and/or clubs or for the intermediaries.
 - No conflict of interest would be deemed to exist if the intermediary discloses in writing any actual or potential conflict of interest he might have with one of the other parties involved in the matter, in relation to a transaction and if he obtains the express written consent of the other parties involved prior to the start of the relevant negotiations.





Regulations on working with intermediaries

- ❑ Sanctions on players, clubs and associations (art. 9 of the Regulations):
 - In domestic transactions, the relevant association is responsible for the imposition of sanctions on players and clubs that violate these regulations.
 - In international transactions, the FIFA Disciplinary Committee is responsible for imposing sanctions on players, clubs and associations that violate the present regulations





Timeline

Proposed date for the implementation of the new regulations is the second half of 2011 (after approval by FIFA's Executive Committee and approval of possible amendments to the FIFA Statutes by the 61st FIFA Congress).





Arguments for debate

- Efficiency of the new Regulations and its possible enforcement
- Responsibilities of NA's, clubs and players
- National laws and national regulations
- Former player's agents: what happens?
- Comments expressed by Confederations, NA's, clubs, players, agents
- New proposals and possible alternatives





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