

FIFA®



THE REFORM OF THE TRANSFER SYSTEM

2017-2022

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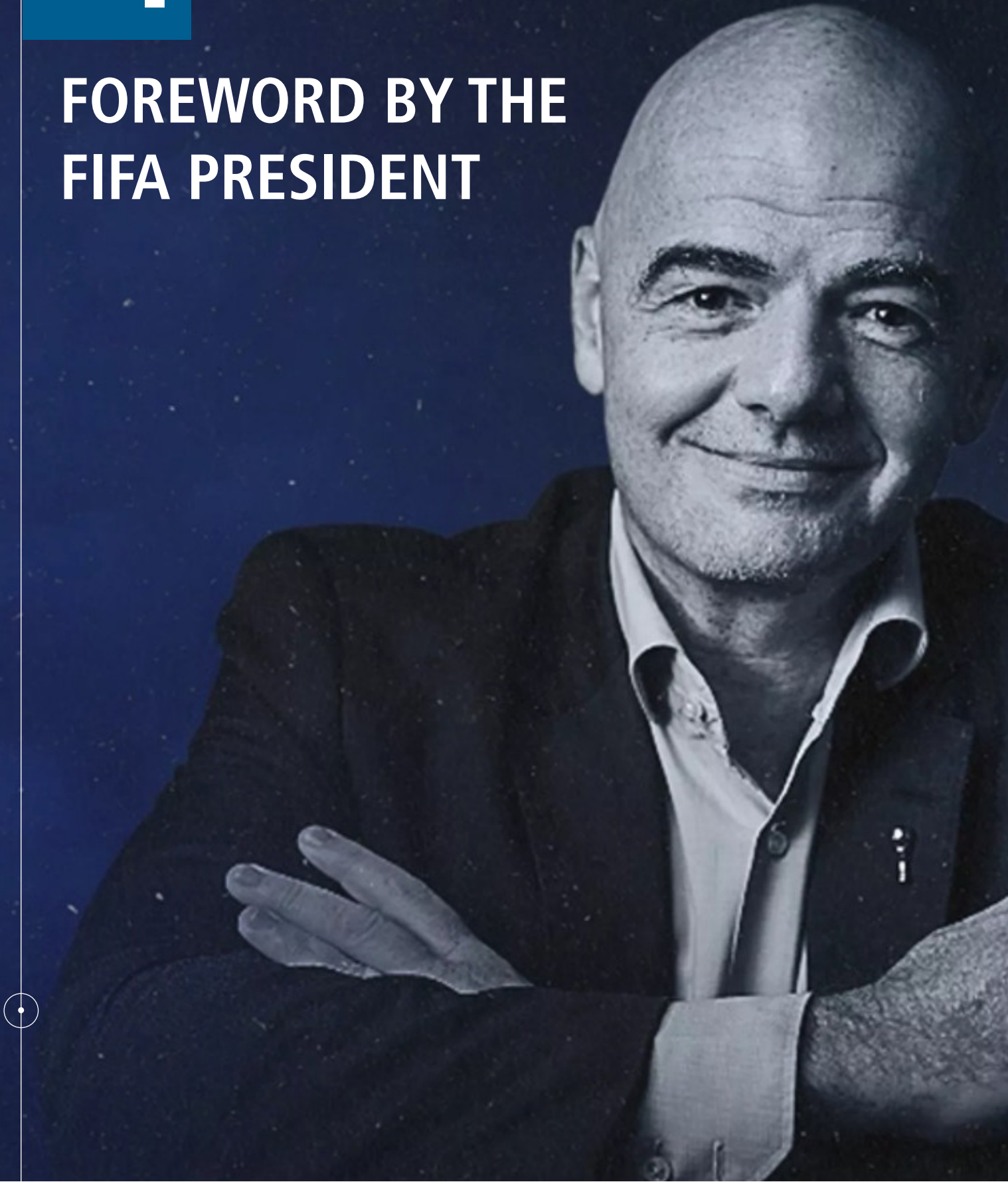
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**FOREWORD BY THE
FIFA PRESIDENT**



1. FOREWORD BY THE FIFA PRESIDENT

In 2020, I published my vision for making football truly global, setting out FIFA's objectives for the period 2020-2023. The first objective was to "modernise the football regulatory framework", ensuring that its transparency is safeguarded on a global scale and the interests of football stakeholders around the world are considered.

In truth, my team had already been working on that objective since my election, and we commenced a review of the football transfer system when I launched FIFA 2.0 in October 2016. This was the first wholesale review of the system since it was implemented in 2001.

At first, negotiations with professional football stakeholders addressed several important issues regarding player welfare. The first-ever stakeholder agreement on the football transfer system reform, covering the so-called "urgent issues", was subsequently endorsed by the FIFA Council through the introduction of regulatory amendments which entered into force on 1 June 2018.

In June 2018, we put a work plan in place to address several specific topics for review. Over the subsequent four years, the FIFA Council has approved various important reforms to the football transfer system, including maternity protections, a regulatory framework for coaches, the FIFA Clearing House, regulation of football agents, new regulations regarding loans and further provisions concerning the protection of minors.

The Council of Europe and the European Parliament have expressly, through their reports, commended and supported the ongoing reforms of the football transfer system.

As we approach the completion of that work plan, it feels natural to reflect here on the work undertaken by FIFA to modernise the football transfer system and the positive outcomes that this work has achieved.

Gianni Infantino



FIFA President



MAKING FOOTBALL TRULY GLOBAL

The Vision 2020-2023

THE 11 GOALS Realising the vision of making football truly global is no mean feat. The blueprint to achieve this vision covers FIFA's four core areas and is based on 11 goals. Each of these goals is constituted of four pillars and is grounded in the day-to-day effort of dedicated football professionals.

- | | | |
|---|---|---|
| 1 Modernise the football regulatory framework | 2 Grow revenues sustainably for further reinvestment in football | 3 Increase the efficiency and efficacy of the organisation |
| 4 Ensure the success of our iconic competitions | 5 Globalise our competitions | 6 Increase global competitiveness |
| 7 Maximise our impact on global football development | 8 Accelerate the growth of women's football | 9 Harness technology in football |
| 10 Protect positive values in football | 11 Impact society through the power of football | |

Football governance

Corporate governance and administration

Competitions and events

Football development, social responsibility and education

1 MODERNISE THE FOOTBALL REGULATORY FRAMEWORK

The rules governing football are established to protect the game in its entirety. To fulfil this purpose, it is crucial to continuously modernise the regulatory framework, thereby ensuring that its transparency is safeguarded on a global scale and that the interests of all football stakeholders around the world are taken into account.

REVIEW THE INTERNATIONAL MATCH CALENDAR WITH A GLOBAL APPROACH

The international match calendar plays a central role in the sustainable growth of football in all regions of the world and at all levels. For this reason, the current system should, once and for all, be discussed thoroughly with all stakeholders and reviewed according to their needs in a collective effort to guarantee a truly global approach.

ANALYSE THE LAWS OF THE GAME FOR THEIR POTENTIAL OPTIMISATION

Football keeps evolving, and Laws of the Game should be continuously analysed and optimised accordingly, while respecting the traditions of football. The promotion of offensive tactics should guide this process with the aim of improving the football experience – from both a sporting and entertainment point of view.

REFORM THE TRANSFER SYSTEM

Key objectives of the transfer system are to protect minors, reward training clubs, promote investment in youth and safeguard the integrity of competitions, while ensuring that money stays within the game for the purposes of reinvestment. The reform of the transfer system will focus on these objectives, as well as achieving greater transparency.

INTRODUCE MECHANISMS TO PROTECT FOOTBALL STAKEHOLDERS

FIFA plays a role of utmost importance in protecting all football stakeholders worldwide. From the reform of the transfer system to the recent establishment of the FIFA Fund for Football Players, modern mechanisms will have to be put in place to further safeguard the players, coaches and clubs involved in the game.

**FOREWORD BY
THE FIFA VICE
PRESIDENT**



2. FOREWORD BY THE FIFA VICE PRESIDENT

Over the past five years, FIFA has made significant and compelling improvements by reforming its leadership and governance to ensure productive dialogue and collaborative decision-making with football stakeholders.

In the same vein, FIFA has recognised the need to improve communication and support between the organisation and professional football stakeholders by establishing the Football Stakeholders Committee, which fosters cooperation in a truly diverse football world.

The Football Stakeholders Committee has proven to be the appropriate forum to exchange views and discuss the most effective way forward on a number of key football issues, in particular the football transfer system, as it provides the necessary basis for proper stakeholder involvement, taking into account all relevant interests.

Since the first day of its mandate to advise and assist the FIFA Council on important football issues affecting all stakeholders, the Football Stakeholders Committee has worked diligently with professional football stakeholders to modernise and reform the football transfer system in order to transform the current regulatory framework into a fair and appropriate system that respects the fundamental principles of transparency, integrity and fairness, and achieves the original objectives of the football transfer system.

The progress of the transfer reform is undeniable and the spirit of cooperation and constructive input contribution through the Football Stakeholders Committee has led to a number of significant achievements which have been well received by the wider football community.

We are proud not only of their achievements and their impact on football's transfer system, but especially of the speed with which unprecedented circumstances and challenges that required swift action from FIFA were addressed and managed with the ultimate goal of creating a better ecosystem for the football community and a better game.

Victor Montagliani



Vice president of FIFA

Chairman of the Football Stakeholders Committee





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INTRODUCTION



3. INTRODUCTION

When FIFA first set out to modernise the relevant regulatory framework in late 2016, a reform of the football transfer system had been long overdue.

The football transfer system as we know it today was born out of the Bosman ruling of the then European Court of Justice (ECJ) in 1995. In 2001, after different negotiations between FIFA, UEFA and the European Commission, the FIFA Regulations on the Status and Transfer of Players, based on several core pillars that remain the backbone of the football transfer system today, entered into force.

Over the next 15 years, the commercial value of football grew exponentially. The influx of money raised from broadcast rights sales led to substantial increases in wages paid to players and coaches, transfer fees paid for player registrations, service fees paid to football agents, and the amount of football played each season. Despite these relatively rapid changes to the way in which football business was conducted, the FIFA regulatory framework did not keep pace.

The reform process initiated by FIFA in 2017 has led to several tangible outcomes, also thanks to the support, cooperation and assistance of the different stakeholders. Among other things, the following have been introduced:

- Further protections for players who are mistreated by their clubs, including the codification of further just causes for players to unilaterally terminate their contracts, as well as the implementation of compulsory consequences for parties that fail to comply with a decision of a FIFA body to pay a sum of money.
- Protections and guarantees for female players who are pregnant or give birth while under contract.
- The FIFA Clearing House to process payments, promote financial transparency and raise governance standards.
- A regulatory framework for coaches, providing the same minimum protections as those in place for players.
- A new regulatory framework for football agents, providing fundamental ethical and professional standards, as well as protection for clients and football agents alike.
- Further protections for minor players, including the first-ever regulatory framework for trials with rules concerning medical care, minimum age and an effective way to seek legal protection, while also implementing a more stringent regulation in relation to private academies to increase oversight of minors, and the modernisation and more flexible application of the humanitarian exception to reflect real-life cases.
- A new, streamlined decision-making body, the FIFA Football Tribunal, which dealt with more than 14,000 disputes and regulatory applications in its first year of operations.
- A new regulatory framework for loans to protect youth development, promote competitive balance and prevent the hoarding of players.

- The FIFA Fund for Football Players to compensate players whose clubs are declared insolvent, liquidated, subject to bankruptcy proceedings, or have been disaffiliated from organised football. A total of USD 16m had been allocated by FIFA by the end of 2022.

These initiatives, and others introduced in the past years, are described in the following pages. We hope you enjoy our reflection on the modernisation of the football transfer system.

Alasdair Bell



**Deputy Secretary General
(Administration)**

Emilio Garcia Silvero



Chief Legal and Compliance Officer

**BRIEF HISTORY
OF THE FOOTBALL
TRANSFER SYSTEM**



TIMELINE OF THE FOOTBALL TRANSFER SYSTEM

1863



Copy of The Football Association's first minute book, showing the entry from 26 October 1863 concerning the establishment of the association, which had the aim of creating a set of laws that would unify the different forms of football played in England.

Codification of the Laws of the Game

After several variations (some which evolved into the rules governing the sports of rugby and Australian rules of football) surfacing in the previous decades, the first rules governing the sport of football were agreed and codified in December 1863 following a meeting of The Football Association.

1885

Professionalism is introduced in English football

The Football Association formally permitted professional players to be fielded in organised matches. This was coupled with a registration system. Professionals were required to be registered annually and could only play for the club with which they were registered. They were free to join another club at the end of a season – even if the club with which they had been registered during the preceding season wished to retain them – but could not change clubs during a season unless they had the permission of their club at the time and The Football Association.

1888

Formation of the Football League

The first national league championship was born. The Football League was established in England with 12 founding clubs, separate from The Football Association. Within a few years, this had expanded to more than 30 members.



1890

Radford v Campbell - first legal challenge to football transfer system

Harry Campbell, who had signed a contract with Nottingham Forest prior to the 1890-1891 season, inked a new contract with Blackburn Rovers before the season started. Nottingham Forest sought an injunction based on the rules of The Football Association, which was rejected by the English courts.

1893

Introduction of the "retain and transfer" system

The Football League introduced the "retain and transfer" system in response to the Radford v. Campbell decision. In short, a professional who wished to change clubs could only do so with the permission of his current club, regardless of whether this was during a season or at the end of a season after his annual contract had expired. As a result, a professional's registration could theoretically be retained by his club forever unless he could gain the necessary permission to depart. Clubs began leveraging this to request a transfer fee from a prospective new club for that permission to be granted.

1898

Formation of the first professional players' union

The Association Footballers' Union was formed in England in response to both the "retain and transfer" system and a proposal by the Football League to establish a maximum weekly wage. It failed to gain recognition by the football authorities and was dissolved in 1901.





1901

Maximum wage

The Football League introduced a maximum professional wage of GBP 4 per week and abolished the payment of bonuses to professionals.

1906

Kingaby v. Aston Villa – a failed legal challenge to the “retain and transfer” system

In 1906, the registration of Herbert Kingaby was purchased by Aston Villa (a Football League team) from Clapton Orient (a Southern League team). After Kingaby's contract expired, Aston Villa placed him on their retained players list. Kingaby had no suitors in the Football League and eventually moved back to the Southern League to play football. In 1910, the Southern League agreed to recognise the Football League's “retain and transfer” system. Aston Villa subsequently disclosed that it had retained Kingaby's registration, and he was prevented from playing in the Southern League unless his new club, Leyton FC, paid the transfer fee demanded by Aston Villa. Kingaby launched a legal challenge. However, the case was dismissed. The football transfer system subsequently survived in this form for approximately another 50 years.

1961

Abolition of the maximum wage

Faced with an impending players' strike and ongoing pressure from the Association Football players' and Trainers' Union, the Football League abolished the maximum wage (then GBP 20 per week).

1963

Eastham v. Newcastle United – the end of the “retain and transfer system” in England

By the 1960s, the football transfer system was effectively the same as the one in place at the time of the Kingaby case, with some minor modernisations. At the end of each season, a club that decided not to re-employ a professional could: (i) place him on the retain list; and/or (ii) place him on the transfer list, with a specified transfer fee; or (iii) not place him on any list (rendering him unemployed and free to sign for another club). Players had a limited ability to appeal their allocation to a certain list (or the specified transfer fee) before a football tribunal.

Although the “retain” aspect was deemed unlawful in England, the concept of a club being able to request a fee for the transfer of a professional's registration, even after the expiry of their contract, remained part of national and international football regulations until the Bosman ruling.

1995

FIFA Regulations Governing Players' Agents are adopted

Prior to 1995, the FIFA Statutes contained a specific prohibition on utilising the services of an agent to conclude a football transfer. This obviously did not reflect the reality of the football transfer system. FIFA attempted to regulate the profession of football agent for the first time by introducing specific regulations governing their activities, which later became the FIFA Players' Agents Regulations.

The Bosman ruling – the end of “retain and transfer” once and for all

The Bosman ruling is undoubtedly the seed from which the modern football transfer system sprouted. Jean-Marc Bosman was a player for RFC Liège (Belgium) whose contract expired in 1990. He wished to move to Dunkerque (France), but they were unable to afford the transfer fee demanded by the Belgian club. Bosman sued his club, the Belgian Football Association and UEFA before the ECJ. In short, the ECJ held that the rules governing football transfers placed a restriction on the free movement of workers in violation of the Treaty on the Functioning of the European Union. Footballers were free to transfer to a new club at the end of their contract, and clubs could no longer retain a player's registration and demand a transfer fee following that expiry.

2001

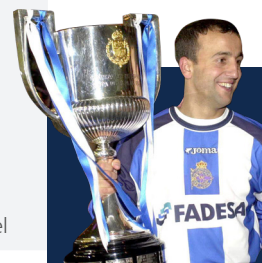
Adoption of the FIFA Regulations on the Status and Transfer of Players

In 2001, after different negotiations between FIFA, UEFA and the European Commission, the FIFA Regulations on the Status and Transfer of Players, based on several core pillars that remain the backbone of the football transfer system today, entered into force.

2002

The introduction of transfer windows

Transfer windows as they are widely known, were enforced at international level for the first time.



2009

Sub-committee for the protection of minors

Since the establishment of the modern football transfer system, the Regulations on the Status and Transfer of Players have provided that the international transfer of a player may only occur after they reach 18 years old. A minor wishing to transfer internationally must meet the criteria under one of the exceptions set out in the regulations. In 2009, FIFA established a specific sub-committee to examine any application for the international transfer of a minor. This function was consolidated into the FIFA Football Tribunal in 2021.

2010

Introduction of the FIFA Transfer Matching System (TMS)

TMS brought the football transfer system into the modern era, with the introduction of a mandatory electronic software suite to facilitate international transfers. On establishment, it only applied to the international transfer of male professionals, but it now encompasses all international transfers in 11-a-side football, regardless of gender or player status.

2015

FIFPRO challenge to the football transfer system

On 20 September, FIFPRO, the global players' union, filed a complaint against FIFA with the European Commission, challenging the football transfer system as being anti-competitive and against the core pillars. The complaint was ultimately withdrawn in 2017 following the establishment of the Football Stakeholders Committee and the incorporation of football stakeholder groups into regulatory decision-making processes.

Ban on third-party ownership and deregulation of football agents

Two significant decisions were made in 2015 regarding the football transfer system. On 1 April, the FIFA Players' Agents Regulations were repealed and replaced with the FIFA Regulations on Working with Intermediaries. The licensing system for players' agents was abandoned and the regulatory authority to register intermediaries shifted from FIFA to the member associations. On 1 May, a global ban on third-party ownership of players' economic rights entered into force. The ban followed several controversial transfers that contravened the core pillars upon which the football transfer system is based.

2016

New FIFA President and commitment to collaboration with stakeholders

The election of Gianni Infantino as FIFA President was a watershed moment in the history of the football transfer system. Infantino's election manifesto included a commitment to collaborating with stakeholders. This ultimately led to the creation of the Football Stakeholders Committee and the transfer reform process.

In October 2016, FIFA unveiled "FIFA 2.0: The Vision for the Future" - the first time in FIFA's history that it has published a roadmap for how to grow football, enhance the football experience for fans and players, and build a stronger institution.



2017

Football Stakeholders Committee and agreement on 'urgent issues'

The Football Stakeholders Committee, consisting of individuals representing confederations, member associations, leagues, clubs and player unions, was established and met for the first time in March. This was the first time that FIFA had formally included stakeholder representation in its regulatory decision-making processes.

At its second meeting, in October, the committee endorsed several reforms (on "urgent issues") that streamlined the dispute resolution processes and provided greater regulatory protections for players. As a result, FIFPRO withdrew its legal challenge from the European Commission. In recent years, the committee has proposed significant reforms to the football transfer system.

2018

First Transfer System White Paper

In June 2018, the Football Stakeholders Committee endorsed a White Paper on the football transfer system which encapsulated the “broad issues” to be evaluated by the Task Force. Those “broad issues” are addressed in the following chapters.

On 24 September 2018, the Football Stakeholders Committee endorsed landmark reforms of the football transfer system. On 26 October 2018, this was adopted by the FIFA Council. It provided the fundamental principles for: **(i)** the creation of the FIFA Clearing House, with the aim of protecting the integrity of football and avoiding fraudulent conduct. The FIFA Clearing House would centralise and simplify payments associated with transfers. As a first step, it would be utilised to process training rewards **(ii)** mandatory introduction at national level by 1 July 2020 of an electronic registration system and an electronic transfer system **(iii)** solidarity mechanism to be applied to national transfers with an “international dimension” (i.e. where the player’s training club is affiliated to a different member association than that where the national transfer took place) **(iv)** new and stronger regulation for agents to be established, with the reintroduction of a FIFA licensing system **(v)** the development of new regulations governing loans for the purpose of youth development as opposed to commercial exploitation. The number of loans per season and between each club would be limited. Bridge transfers and sub-loans would be prohibited.

Items **(i)**, **(ii)** and **(iii)** were the core of the first reform package of the football transfer system.



2019

Second reform package

The second reform package which was adopted in 2019 included: **(i)** endorsement of the principle of limitations on the international loans to be established in the new loan regulations **(ii)** endorsement of regulatory amendments in relation to solidarity mechanism for national transfers **(iii)** endorsement of principles regarding a cap on agents’ commissions and limitation of multiple representation to be introduced in the regulations on football agents and **(iv)** endorsement of principles on the modernised training compensation system. As from 1 July 2020 it is mandatory for member associations to implement an electronic player registration system and an electronic domestic transfer system, and to integrate them with FIFA electronic systems. At the date of publication, 95% of member associations are fully integrated. On 1 July 2020, the solidarity mechanism was applied to national transfers with an ‘international dimension’ for the first time.



2020

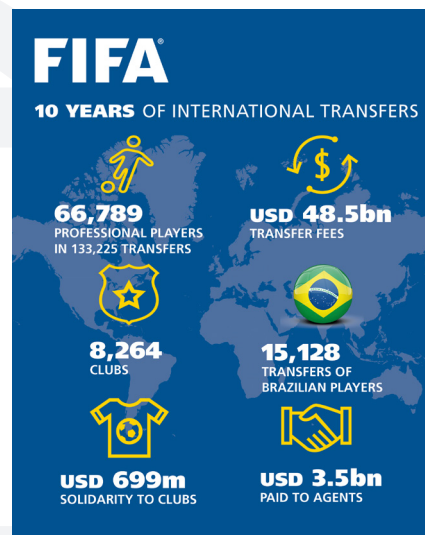
Special Package

The special package adopted this year included an immediate response to the situation created by COVID-19 in addition to bolstering the regulations regarding maternity protections, coaches and some additional exceptions to allow the international transfer of minors.

2021

Third Reform package

On 14 May 2021, the Football Stakeholders Committee, took further steps in the reform of the transfer system by endorsing the general principles of the third reform package, which included the topics of **1)** International Transfer of Minors **2)** Registration Periods (Transfer Windows) **3)** Financial Regulation **4)** Other Regulatory Matters.



FIFA Football Tribunal

On 1 October 2021, the FIFA Football Tribunal became operational. It consolidated the existing FIFA decision-making bodies into a single umbrella body, streamlined operational processes, established a clear governance model and delivered a more efficient decision-making system.

Commentary on the Regulations on the Status and Transfer of Players

On 10 November 2021, after more than 13 years, the second edition of the Commentary on the Regulations on the Status and Transfer of Players was launched by Mario Monti, the former Prime Minister of Italy and the EU Commissioner for Competition at the time of the transfer system reform following the Bosman ruling.

Endorsement of reforms by European Parliament

The European Parliament resolution of 23 November 2021 on EU sports policy “[r]ecalls the need to regulate the activities of agents and acknowledges that the recent reforms in the football transfer market, including the establishment of a clearing house, licencing requirements for agents and caps on agents’ commissions go in the right direction; urges the relevant sport authorities to ensure the prompt implementation of these reforms and calls on the Commission to monitor progress”.



2022

Council of Europe Report “Football governance: business and values”

Adopted by the Parliamentary Assembly of the Council of Europe (PACE) on 26 January 2022: “stresses the importance of ensuring the transparency of all financial flows related to international transfers and calls on FIFA and other stakeholders to agree that not only commissions but also all agents’ services fees related to international transfers should gradually be processed through the clearing house system and that agents and their activity should be subject to compliance assessment procedures”. The report also highlights the importance of prohibiting “excesses” and capping “agent fees by establishing a maximum percentage of the gross transfer price and/or wages that these fees may not exceed and an absolute limit on the total sums that may be paid to the agent of the releasing club for a transaction”.

New Annexe 7 to the Regulations on the Status and Transfer of Players, to tackle the employment situation of players in Ukraine and Russia

Approval of the FIFA Clearing House Regulations and go-live of the FIFA Clearing House

Amendments to the Regulations on the Status and Transfer of Players to further strengthen the protection of minors (Trials, Academies and Humanitarian Exception)

Approval of the new FIFA Football Agent Regulations

Others

Initiatives like the FIFA Legal Portal, the renovated Annexe 3 to the Regulations on the Status and Transfer of Players and the agreement revised between FIFA and the Court of Arbitration for Sport were executed.

**BACKGROUND
TO TRANSFER
SYSTEM REFORM**



5. BACKGROUND TO TRANSFER SYSTEM REFORM

5.1 FIFA 2.0: THE VISION FOR THE FUTURE

In October 2016, FIFA unveiled FIFA 2.0: The Vision for the Future. This was the first time in FIFA's history that it had published a roadmap for how to grow football, enhance the football experience for fans and players and build a stronger institution.

A core goal of FIFA 2.0 was to foster collaboration with stakeholders. FIFA committed to shaping the future of football in an inclusive manner. Prior to 2016, football governance suffered from a disconnect between the diverse stakeholders, voices and interests associated with the game, and decisions on its future.

The primary tool to achieve this goal was the newly implemented Football Stakeholders Committee. Although this was created as part of the FIFA reform process in February 2016, it had yet to hold a meeting by the time FIFA 2.0 was unveiled.

This new standing committee, comprising representatives from member associations, confederations, players' unions, clubs and leagues, was tasked with evaluating several key matters, including, most importantly, the football transfer system. The last major review of the rules governing the international transfer of professionals had occurred in 2001.



5.2 FOOTBALL STAKEHOLDERS COMMITTEE AND TASK FORCE TRANSFER SYSTEM

The FIFA Statutes describe the Football Stakeholders Committee's remit as follows:

The Football Stakeholders Committee shall deal with football matters, particularly the structure of the game and the relationship between clubs, players, leagues, member associations, confederations and FIFA as well as with issues relating to the interests of club football worldwide, draw up regulations governing these matters, and also analyse the basic aspects of football training and technical development.

On 23 March 2017, the Football Stakeholders Committee held its first meeting and committed to review the football transfer system. It was agreed that the "urgent issues" (i.e. the most pressing concerns highlighted by FIFPRO, relating to overdue payables and the abuse of players) would be dealt with immediately and that, in the longer term, FIFA would evaluate the "broad issues" in the football transfer system.

On 19 October 2017, the Football Stakeholders Committee endorsed a multi-stakeholder agreement on the “urgent issues”. This followed extensive negotiations between FIFA, FIFPRO, the European Club Association, the World Leagues Forum and the confederations. It also subsequently established the Task Force Transfer System to conduct the review of the “broad issues” and provide recommendations for reform.

5.3 REGULATIONS ON THE STATUS AND TRANSFER OF PLAYERS

The modern football transfer system was established within the Regulations on the Status and Transfer of Players (or RSTP). The core pillars and objectives of the football transfer system are:

(1) The protection of contractual stability

Contractual stability is paramount as the regulations have an impact on the freedom of movement of players. The regulations not only impose conditions, but also establish a system of compensation in the event of the unilateral termination of an existing contract between a professional player and a club without just cause.

(2) Encouragement of training

Clubs should receive appropriate compensation for training young players, which, in turn, encourages investment in training and infrastructure.

(3) Solidarity between the elite and grassroots

The grassroots should receive a fair solidarity contribution from the elite to foster and reward the development of football.

(4) The protection of minors

Millions of children play football every day across the world. Although, for some, this may be a purely recreational activity and, for others, it is their chosen career path, the one certainty is that all children have the right to participate in sport in a safe and enjoyable environment. The regulations must safeguard the well-being of all young players and ensure that young talent is not abused or exploited.

(5) Competitive balance

Another core pillar of the modern football transfer system is competitive balance, i.e. the need to strive for a healthy balance between all participants in football competitions.

(6) Ensuring the regularity (integrity) of sporting competitions

The regulations must protect the integrity and proper functioning of football competitions and avoid excessive and abusive practices.



The Regulations on the Status and Transfer of Players establish important principles for the employment relationships that exist in modern professional football. In certain areas, these principles have an impact upon the freedom of players to move from one club to another, and they define the prerequisites for such moves. Similarly, to protect contractual stability, they establish a system of compensation for the damages in the event of the unilateral termination of a valid contract between a professional player and a club without just cause. Overall, these principles may therefore restrict the free movement of players, in a proportionate and reasonable way, with a view to maintaining the regularity and integrity of sporting competitions.

5.4 REFORM OF THE FOOTBALL TRANSFER SYSTEM

Research undertaken by the FIFA administration in support of the Football Stakeholders Committee highlighted several concerning trends that had developed because of increased globalisation and commercial interest in club football. In particular:

- (1) Football had evolved into a multi-billion-dollar industry. A virtuous money-cycle existed due to the emergence of subscription television revenues – the top clubs received a significant influx of money and global attention. Massive commercial growth was underpinned by top clubs that had become global brands. This widened the sporting (and commercial) gap between the top clubs and leagues, and others.
- (2) The football transfer system was being driven by speculation (in terms of transfer fees) instead of being a market based on solidarity (which should be one of its core pillars).
- (3) The amount of money spent on service fees paid to intermediaries (a cost to football) was significantly disproportionate to the amount of money being reinvested in football through FIFA training reward mechanisms.
- (4) Intermediaries had a disproportionate amount of influence on player movement, which gave rise to significant conflicts of interest in transfers (e.g. transactions where an intermediary represented all parties).
- (5) Payment of FIFA training rewards mechanisms had stagnated; the amounts declared to FIFA as received were significantly lower than those that were actually due.
- (6) The player passport mechanism, which underpins the payment of FIFA training rewards, had been applied inconsistently across member associations. There was a huge data gap in playing histories.
- (7) European football clubs were able to disproportionately engage minors compared to the rest of the world under the applicable regulatory framework. This was counterproductive to generating football development opportunities for certain young players.
- (8) Loan transfers had been abused. Limited regulation and a lack of understanding of their purpose had a significant impact on the development of young players, placing the integrity of competitions at risk.

- (9) Increasing unethical behaviour, designed to exploit loopholes in the regulatory framework (e.g. bridge transfers), significantly impacted on the fairness of the game.
- (10) The balance and fairness of competitions were jeopardised since squad sizes were not consistently well regulated. Opportunities for young and home-grown players were diminished as a result; this failed to encourage training and development.
- (11) There was a lack of consistency in the scheduling of registration periods globally. The integrity of competitions was questioned as a result, as clubs with better financial resources were able to take advantage of such inconsistency.
- (12) Increasing transfer fees were placing the financial stability of clubs at risk and driving unsavoury practices, which may have led to the exploitation of players.
- (13) In a competitive market, clubs with the greatest resources could command the best talent by paying the biggest salaries. This increased competitive imbalance, as talent was concentrated among those top clubs.

The overall conclusion was that the core pillars of the football transfer system were either not being (fully) achieved and/or had been eroded or undermined.

In this context, several intergovernmental bodies made public statements:

- **The European Commission** stated that “the lack of transparency on the transfer market has direct impacts on the enforcement of the training compensation and solidarity mechanisms, which remains a challenge and shows no signs of improvement over the years.” The same report recommended that FIFA recast the FIFA Regulations on Working with Intermediaries.
- **The European Parliament** called on “governing bodies and national authorities at all levels to take measures that guarantee compensation to training clubs with a view to encouraging the recruitment and training of young players”.
- **The Council of Europe** urged discussions on “financial fair play, caps on player transfer fees and player wages, player ownership, the status of agents or intermediaries and other issues”.
- **The EU Sectoral Social Dialogue Committee for Professional Football** issued a joint resolution stating that the existing FIFA regulations “failed to address serious concerns in relation to the activities of intermediaries/agents”. The members of the Social Dialogue Committee called for a “more effective and sustainable regulatory framework” and recommended a number of reforms including: “a reasonable, proportionate cap on fees for intermediaries/agents; enhanced transparency, disclosures and accountability; and appropriate and dissuasive sanctions in case of non-compliance”.



The next chapter focuses on the “urgent issues”. The “broad issues”, which were encapsulated in the White Paper endorsed by the Football Stakeholders Committee in June 2018, are addressed in the subsequent chapters.

2017 URGENT ISSUES



6. 2017 URGENT ISSUES

Following the implementation of FIFA 2.0, the so-called “urgent issues” was the first priority of the newly formed Football Stakeholders Committee. In summary, these issues were:

OVERDUE PAYABLES

Players had suffered significantly from clubs failing to pay their salaries on time and FIFA regulations did not provide strong enough mechanisms to require clubs to honour their contractual obligations.

ABUSE OF PLAYERS

FIFA regulations lacked legal certainty on what amounted to just cause to terminate an employment contract; in addition, they were silent on issues relating to the abuse of players.

Over the course of 2017, extensive multi-stakeholder negotiations involving FIFA, FIFPRO, the European Club Association, the World Leagues Forum and the confederations, led to an agreement on the “urgent issues”.

In October 2017, this agreement was endorsed by the Football Stakeholders Committee and the FIFA Council subsequently adopted amendments to the Regulations on the Status and Transfer of Players which entered into force in March 2018. These amendments represented one of the most significant changes to the regulatory framework for the modern football transfer system since it was introduced in 2001.

The amendments covered the following:

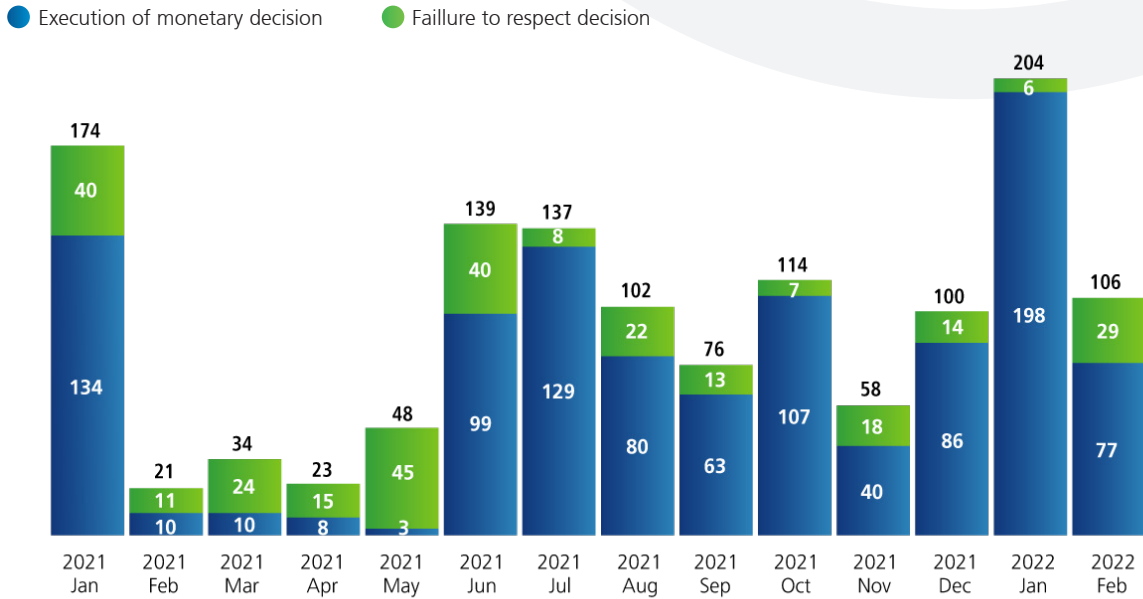
- (1) The introduction of compulsory consequences for parties that failed to comply with a decision of a FIFA body to pay a sum of money. If payment was not made within 45 days of notification of the decision, the compulsory consequences (i.e. a registration ban for clubs or suspension for players) applied until payment was made.
- (2) Two explicit and codified just causes to unilaterally terminate a contract:
 - i. Failure to receive at least two monthly salaries (following a default notice)
 - ii. Abusive conduct
- (3) More clarity in the calculation of compensation and the introduction of possible additional compensation to players who terminate a contract because of overdue payables.



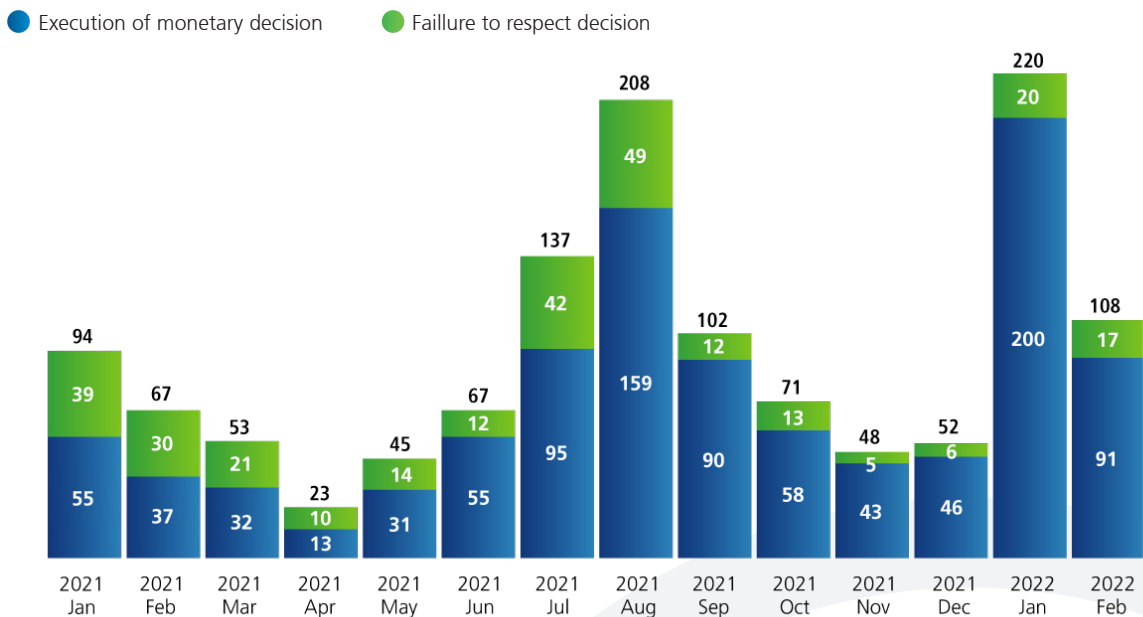
The amendments provided immediate relief. The implementation of compulsory consequences has streamlined the process for creditors (of which the overwhelming majority are players or coaches) to collect the outstanding amounts owed to them.

In this respect, the numbers are telling. During the 2021 calendar year, 1026 bans on registering players were enforced by FIFA for failure to pay creditors; 967 of those bans were lifted during the same year, on the basis that the club had paid the amount it owed.

1026 BANS ON REGISTERING PLAYERS DUE TO FAILURE TO PAY CREDITORS IN 2021

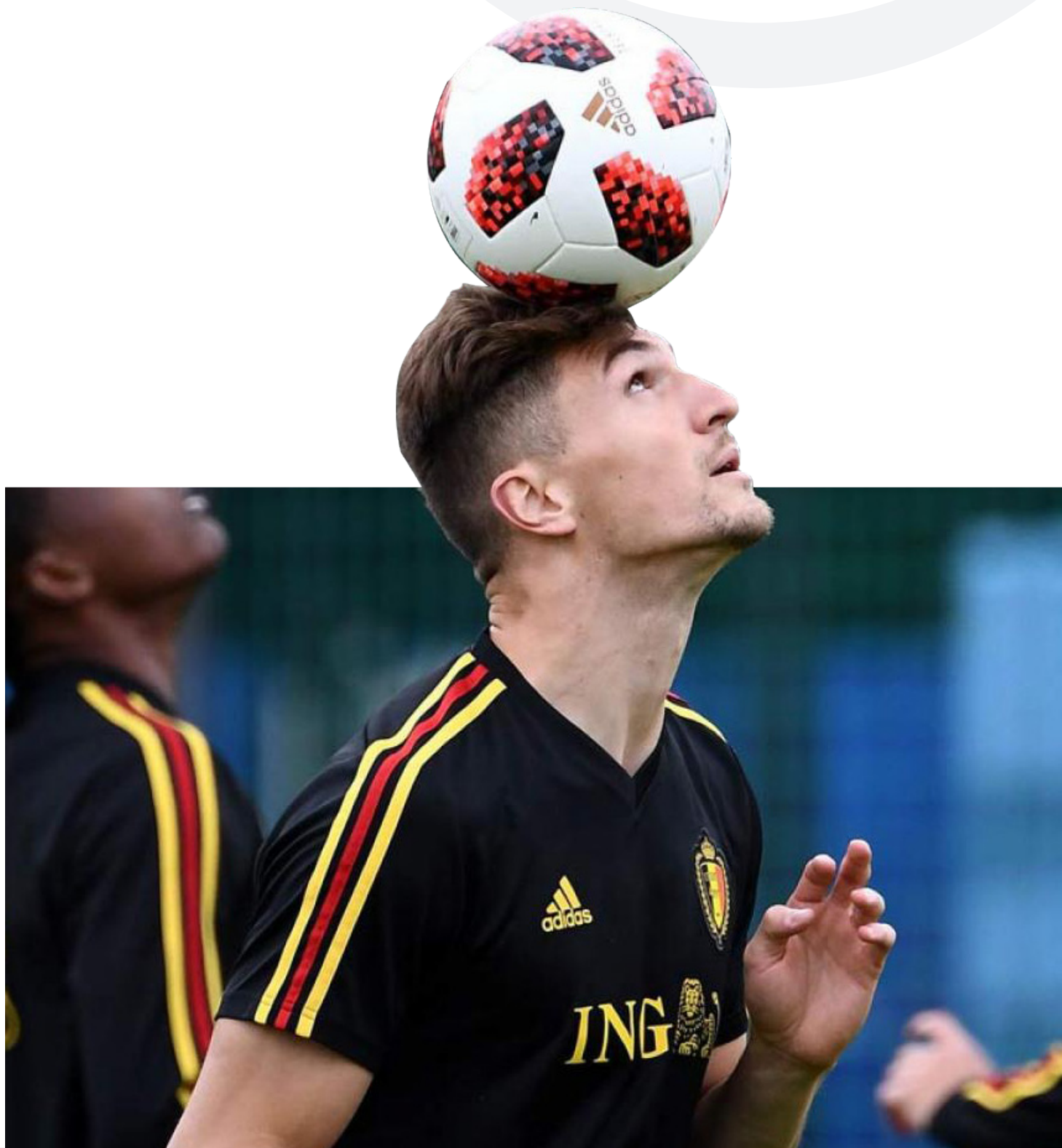


NUMBER OF BANS LIFTED EACH MONTH



Under the previous regulatory framework, creditors would often wait for up to 24 months for their case to be enforced by the FIFA Disciplinary Committee and the relevant club being subject to a ban on registering players.

The current rules set a hard limit of 45 days to pay the amount owed; failure to comply triggers an automatic ban on registering new players. These rules were tightened in 2020 to allow the automatic ban to occur during an open registration period, further protecting the rights of players and coaches.



FIFA®

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**2018
FIRST REFORM
PACKAGE**



7. 2018 FIRST REFORM PACKAGE

7.1 TRANSFORMING THE TRAINING REWARDS SYSTEM

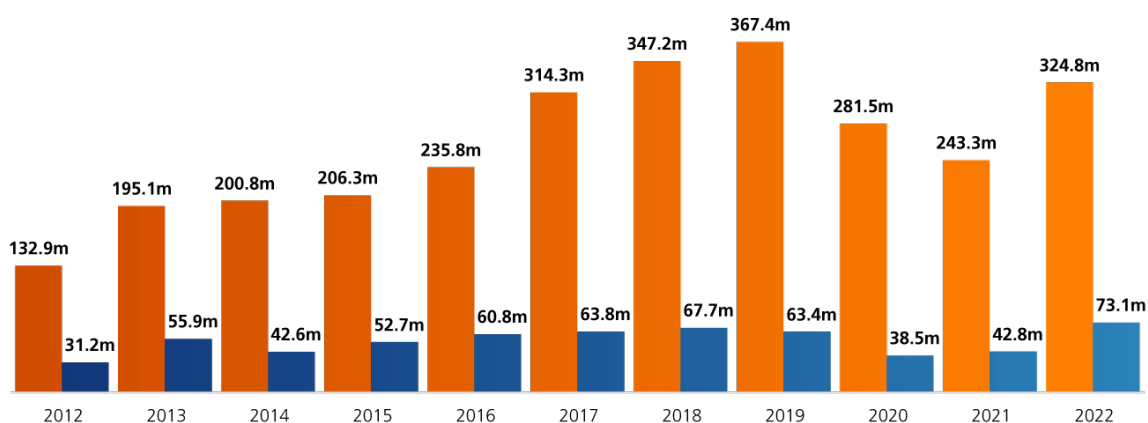
The first reform package centred around the training rewards system, with a view to the future establishment of the FIFA Clearing House.

Stakeholder feedback and research undertaken by the FIFA administration demonstrated that there were problems with the existing system. The results revealed the following:

- (1) There was a financial gap between the training rewards due to clubs and the actual amount declared as paid (see the graphic below). This exists to the current day and reflects a lack of awareness and understanding of the system.

TRAINING REWARDS DUE VS TRAINING REWARDS PAID

- Solidarity contribution - expected (USD), estimated as 5% of total transfer fees
- Solidarity contribution - declared in TMS (USD)



In 2019 (the last calendar year not impacted by the COVID-19 pandemic), more than USD 300m was not paid to training clubs.

- (2) Tracking of players' history was flawed. The player passport required by the FIFA regulations was not electronic and was not properly maintained by member associations. In June 2018:
 - i. 108 of the 211 member associations either did not operate a domestic transfer system or used a paper-based domestic transfer system.
 - ii. 76 of the 211 member associations used a paper-based domestic registration system.
- (3) Purely domestic transfers of professional players did not entitle a training club to receive training rewards.

- (4) The amount paid to intermediaries as service fees had exponentially increased in recent years while the value of training rewards declared as paid had stalled. This remains a concern to the present day.
- (5) There was limited transparency in the financial flows and a lack of accountability and enforcement. Football was insufficiently protected from fraudulent financial activities, such as money laundering.

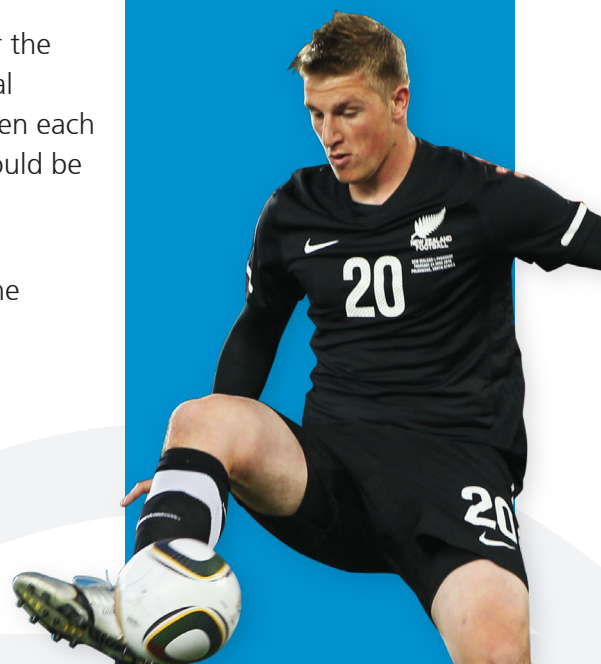
Stakeholder feedback and research undertaken by the FIFA administration also demonstrated concerns that the loan system for football transfers lacked a clear purpose or objective and was fraught with abusive and excessive practices, such as bridge transfers and excessive hoarding of player registrations.

On 24 September 2018, the Football Stakeholders Committee endorsed landmark reforms for the football transfer system. On 26 October 2018, this was adopted by the FIFA Council. It provided the fundamental principles for a number of advances, namely:

- (1) The creation of the FIFA Clearing House, with the aim of protecting the integrity of football and avoiding fraudulent conduct. The FIFA Clearing House would centralise and simplify payments associated with transfers. As a first step, it would be utilised to process training rewards.
- (2) The mandatory introduction by 1 July 2020 of electronic transfer and registration systems at national level.
- (3) The extension of the solidarity mechanism to national transfers with an international dimension (i.e. for national transfers involving a player with one or more training clubs affiliated to a different member association from that of the transfer).
- (4) The establishment of new, stronger regulations governing the activity of agents, with the reintroduction of a FIFA licensing system.
- (5) The development of new regulations governing loans for the purpose of youth development as opposed to commercial exploitation. The number of loans per season and between each club would be limited. Bridge transfers and sub-loans would be prohibited.

Items (1), (2) and (3) were the core of the first reform package of the football transfer system.

The FIFA Clearing House is, as a first stage, automating payments relating to training rewards.



7.2 FIFA CLEARING HOUSE

On 23 September 2022, the French Prudential Supervision and Resolution Authority (Autorité de contrôle prudentiel et de résolution, ACPR) granted the FIFA Clearing House (FCH) a licence to operate as a payment institution (see reference below). The FCH regulations were approved by the FIFA Council on 22 October 2022 and the FCH went live on 16 November 2022.



Résultat de votre recherche

Dénomination sociale : FIFA Clearing House
Identifiant REGAFI : 402628

Description de l'entreprise

Dénomination sociale : FIFA Clearing House

Forme juridique : Société par actions simplifiée

SIREN : 908028715

Code banque (CIB) : 17558

Etablissement de paiement

Nature d'autorisation : Agrément ACPR

Nature d'exercice : Personne morale / Société

Date d'autorisation/enregistrement : 23/09/2022

Adresse du siège social : 4 Rue Royale

Code postal : 75008

Ville : PARIS

Pays : FRANCE

The idea of establishing a clearing house emerged in the framework of the first reform package for the transfer system, as defined by the Football Stakeholders Committee and endorsed by the FIFA Council. FIFA decided to create the FCH as an independent entity and have it regulated in the EU, which possesses one of the most transparent and robust financial regulatory systems. The FCH management board is fully independent from FIFA, and the Supervisory Board is made up with majority of independent members (an independent chairperson, two independent members and two FIFA representatives).

After the transfer or first professional registration of a player, the registration information for their training period is gathered from the member association(s) involved and consolidated in their electronic player passport. Training rewards will be calculated using this information and the corresponding payments will be executed through the FCH from the engaging club to the training club(s) of the player.

The FCH has two main objectives:

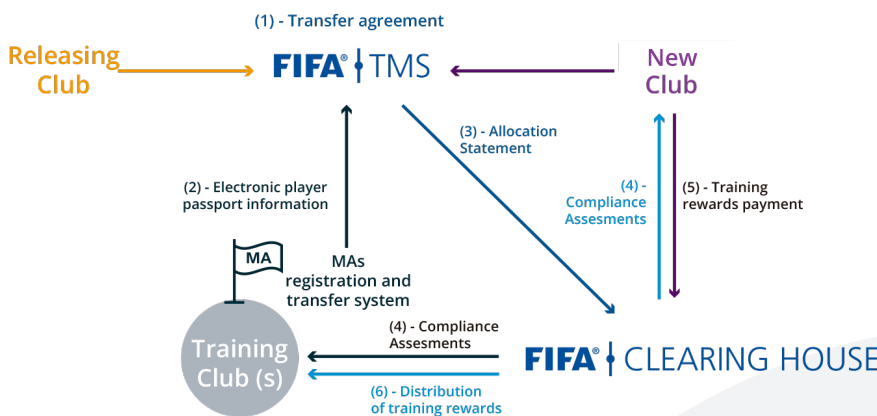
- (1) To centralise, process and automate payments between clubs, initially relating to training rewards (training compensation and solidarity contributions). This will reduce the current gap between training rewards due and training rewards actually paid, moving from the current “claims’ system” to an automatic entitlement. In the future, the intention is to potentially expand this remit to include service fees paid to football agents, transfer fees and amounts ordered by the Football Tribunal.
- (2) To promote financial transparency and avoid fraudulent conduct in the football transfer system, by performing risk and compliance assessments on the parties processing those payments.

Since 1 July 2020, it has been mandatory for member associations to implement an electronic player registration system and an electronic domestic transfer system.

For the FCH to function properly, member associations must provide accurate and updated registration information of the players. Since 1 July 2020, it has been mandatory for member associations to implement an electronic player registration system and an electronic domestic transfer system and to integrate them with FIFA Connect. As of 31 December 2022, 95% of member associations were fully integrated.

Data integration allows FIFA to generate the electronic player passport providing a player’s registration history from the age of 12. The electronic player passport will determine the exact amounts to be distributed to training clubs and will be stored electronically for all future transfers. This information will be provided to the FCH for the processing of payments, once the compliance with anti-money laundering and other financial regulatory standards has been verified.

The chart below shows how the FCH and the new process for distribution of training rewards will work:



**2019
SECOND REFORM
PACKAGE**



8. 2019 SECOND REFORM PACKAGE

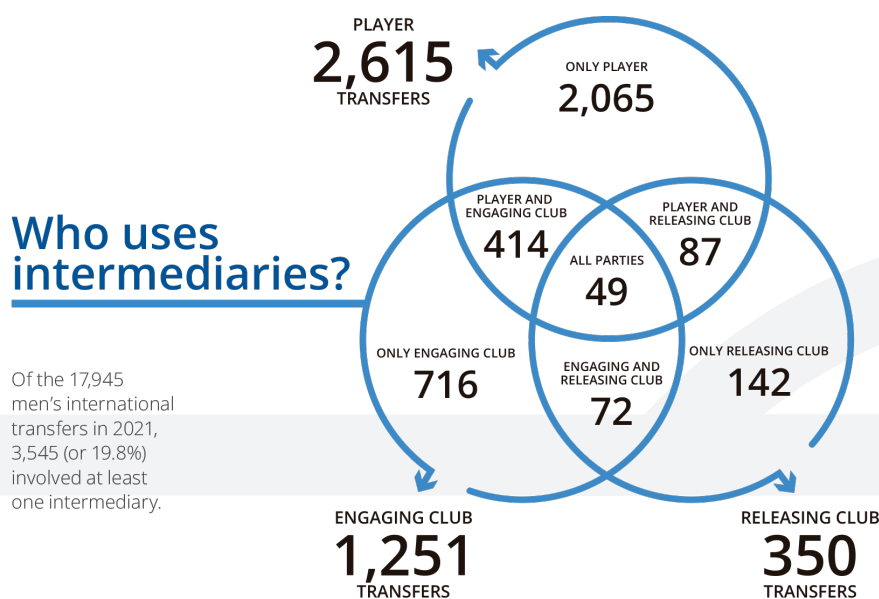
The second reform package tackled several big-ticket items in the football transfer system: football agents, loans and training compensation.

8.1 FOOTBALL AGENTS

Further to the research undertaken by the FIFA administration, meetings of the Task Force Transfer System, and several consultation meetings directly with intermediaries, a number of concerns were identified:

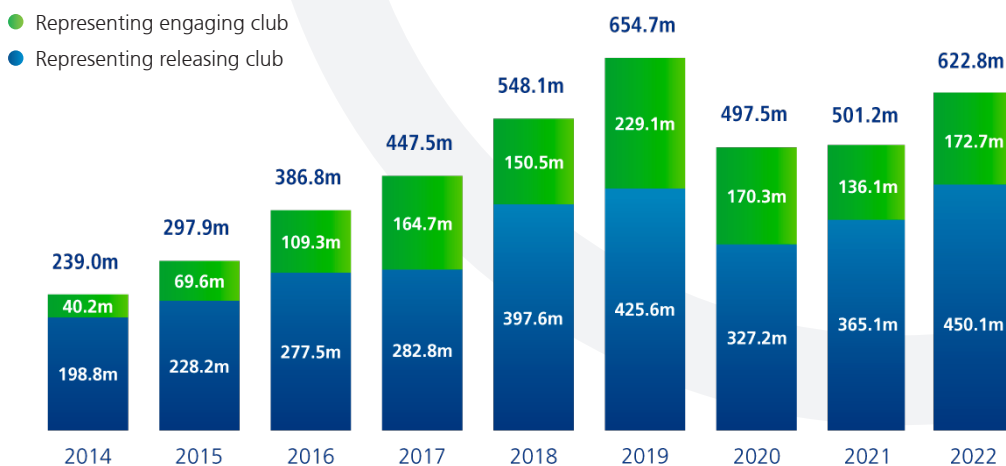
- (1) Approximately 20% of men’s international transfers between 2013 and 2017 involved at least one intermediary. That number increased to 48% for international transfers involving a transfer fee. The proportion remains the same today. In 2021, 19.8% of men’s international transfers involved at least one intermediary.

In 2022, intermediaries were involved in 4,139 international transfers of male professional players (more than 20% of the total).



- (2) In the face of the increased use of intermediaries, the activities of intermediaries need to be addressed appropriately within FIFA’s regulations.
- (3) The aggregate spending on men’s international transfers increases dramatically each year (save for those years impacted by the COVID-19 pandemic). Service fees paid to intermediaries increased exponentially during that time, whilst training rewards effectively stagnated. Transfer fees are no longer serving the purpose of compensating clubs and protecting solidarity.

INTERMEDIARY TYPE



The amount of service fees (in USD) declared as paid in TMS since 2014. In 2019, the last calendar year before the COVID-19 pandemic, payments made to intermediaries had increased by 174% since 2014, the last year prior to the deregulation of agents by FIFA. Despite the pandemic, the amounts paid to intermediaries in 2020 and 2021 were the fourth and fifth highest in history.

- (4) The football transfer system has developed into a speculative market. This is not fair to grassroots clubs, which are the foundation of the professional game.
- (5) That system permitted conflicts of interest to exist in football transfers. Several high-profile transfers have occurred where the intermediary acted for two (e.g. player and engaging club) or all three (player, releasing club and engaging club) parties in a transaction.
- (6) That system was inefficiently applied by member associations. FIFA had not properly monitored its adoption and implementation at national level. The shift of responsibility to member associations to implement a regulatory framework at national level has led to inconsistent approaches (or even no regulation at all) across member associations. Most member associations fail to comply with their annual reporting requirements.
- (7) The transfer market is significantly affected by abusive, excessive and unethical behaviour.
- (8) Under the current regulatory framework, contractual stability is undermined and thus impaired; football agents have an incentive to complete as many transfers as possible.

On 25 September 2019, the Football Stakeholders Committee endorsed the second reform package for the football transfer system. On 24 October 2019, this was adopted by the FIFA Council. The package provided the following principles to govern a future regulatory framework for football agents:

- (1) The reintroduction of a mandatory licensing system and continuing professional development obligations to provide football agent services, to raise professional and ethical standards.
- (2) The limitation of multiple representation to avoid conflicts of interest. The only permissible multiple representation would be a football agent engaged by a player and the new club in the same transaction, if both have explicitly agreed to it in advance and in writing.

- (3) The establishment of a cap on services fees to avoid abusive and excessive practices, as well as to protect the integrity of the sport and the good functioning of the transfer system. For football agents representing a player or an engaging club, the service fee would be capped at 3% of the player's remuneration. This is increased to 6% in permissible multiple representation. For football agents representing a releasing club, the service fee would be capped at 10% of the transfer fee received.
- (4) The payment of all service fees through the FCH to guarantee better financial transparency and financial governance.
- (5) The establishment of an effective dispute resolution system.
- (6) The publication of all agent-related work in transfers, including both the number of transfers involved and the amount of service fees received, to increase financial transparency and improve the credibility of the transfer system.

Since 2018, FIFA has conducted a thorough consultation process with football stakeholders, including agents and agent organisations. Following two years of meetings, a first draft of the FIFA Football Agent Regulations was shared with all stakeholders and agent organisations in November 2020. Subsequent drafts were shared and more than 300 proposals were submitted from football stakeholders and agent groups during all consultation process.

On 16 December 2022, at its meeting in Doha (Qatar), the FIFA Council approved the new FIFA Football Agent Regulations. Thus, the obligation to only use licensed football agents in a transaction will commence on 1 October 2023.

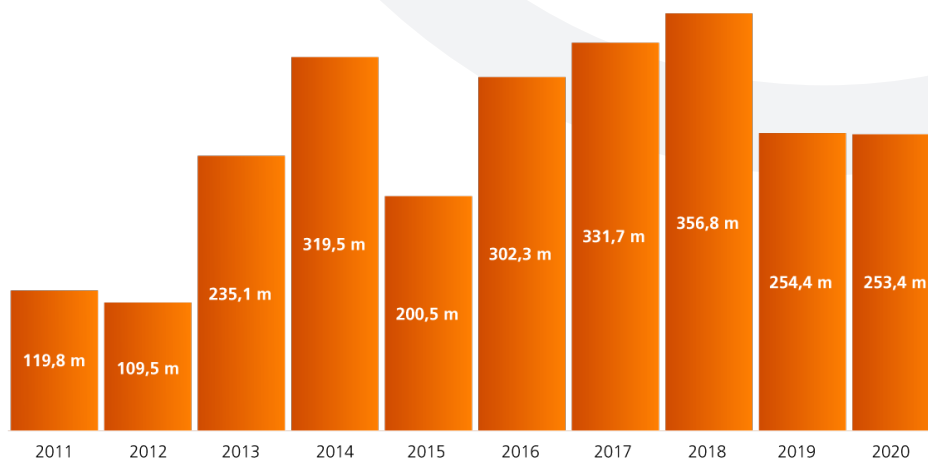
8.2 LOANS

Stakeholder feedback and research undertaken by the FIFA administration demonstrated the following:

- (1) Approximately 13% of the international transfers occurring between 2013 and 2017 were loans or loan extensions. Approximately 9.2% of the spending on transfer fees during that period was on loans or loan extensions. This remains similar today.
- (2) The loan transfer system lacked a clear purpose or objective. It was being used by clubs for commercial as opposed to development purposes. This undermined the objectives of the football transfer system.
- (3) The system was fraught with abusive and excessive practices:
 - i. Sub-loans were eroding the stability of contracts and the duty of care owed by clubs to players.
 - ii. Stockpiling and subsequently loaning players, particularly young players, was detrimental to their development due to the unsettled nature of their employment.

- iii. The sporting integrity of competitions was being impacted. Conditional payments based on appearances had the potential to pressure a club to field (or not field) a player it had loaned. Bridge transfers involving loans were being used to disguise third-party ownership arrangements or avoid the payment of amounts due under football regulations or national laws.

Annual spending on transfer fees in USD for loans (excluding conditional fees)



The second reform package provided the following principles to govern a future regulatory framework for loans:

- (1) The objectives set for the loan transfer system were
 - i. developing young players;
 - ii. promoting competitive balance; and
 - iii. preventing the hoarding of players.
- (2) Limitations would be placed on the player registrations loaned in and loaned out. The limitations would not apply to club-trained players aged 21 and under.
- (3) Bridge transfers would be expressly prohibited.
- (4) Sub-loans would be expressly prohibited.
- (5) Member associations would be given three years to harmonise their domestic loan transfer rules with FIFA regulations.

On **1 March 2020**, an express prohibition on bridge transfers was introduced into the Regulations on the Status and Transfer of Players for the first time.

On **1 July 2022**, the new regulations governing loan transfers entered into force. The rules were originally approved in February 2020. However, their implementation was delayed due to the COVID-19 pandemic. The limitation on loans in and out per year, with a three-year transition phase, will be implemented as follows:

In March 2020 express prohibition on bridge transfer was introduced into the Regulations

International Loans

The limitation on maximum number of loans in or out does not apply to players aged 21 or below that are “club trained” by the releasing club. However, the limitation on loans from or to the “same club” applies to all players regardless of their age and “club trained” status.

Dates	Maximum loans in at any time	Maximum loans out at any time	Maximum loans in at any time from same club	Maximum loans out at any time to same club
2022/23	8	8	3	3
2023/24	7	7	3	3
2024/25	6	6	3	3



8.3 TRAINING COMPENSATION

Further to the previous research undertaken by the FIFA administration, it was clear that the existing system was not achieving the intended objective of incentivising and rewarding clubs for investing in the development and training of young players.

In February 2020, the football stakeholders agreed on principles governing a new training compensation system.

The following principles form the basis of the new system:

- (1) A Training Fund will be established to partly finance the payment of (men’s) training compensation.
- (2) The Training Fund will be financed through a 1% levy on (men’s) transfer fees.
- (3) All training compensation payments are automated via the FCH;
- (4) Clubs will be categorised on an individual basis, as opposed to based on the competition in which they participate.
- (5) Training amounts will be revised to bring them up to date.

- (6) The Training Fund will pay relatively more for lower categories of clubs and relatively less for those in higher categories.
- (7) Former clubs will have to offer the player a contract with (at least) equivalent conditions to be entitled to receive training compensation.
- (8) When a player moves across different categories, the so-called “EU rule” (from the existing system) will apply worldwide.
- (9) Training compensation for the seasons between the ages of 12 and 15 will be based on category 4 training costs.
- (10) Training compensation will be reduced by 50% for transfers of a player between the ages of 21 and 23.

This new system will improve upon the previous mechanism in several ways:

- (1) The training costs for training clubs (last agreed in 2003) will be updated to reflect the modern cost of developing professional players.
- (2) The potential “hindrance effect” on player movement will be decreased, as the Training Fund will pay a significant portion of the training compensation owed.
- (3) The system will categorise clubs fairly based on objective financial criteria as opposed to competition-based criteria. This means that elite clubs will pay more and medium-sized and smaller clubs will pay less.
- (4) Automation of training compensation through the FCH will allow the redistribution of millions of dollars which is currently going unclaimed and will reduce the administrative burden on grassroots clubs to claim or chase money owed.

The work to implement these principles into new regulations is in process, and will continue to be part of the ongoing discussions with the different stakeholders.



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**2020
SPECIAL PACKAGE**

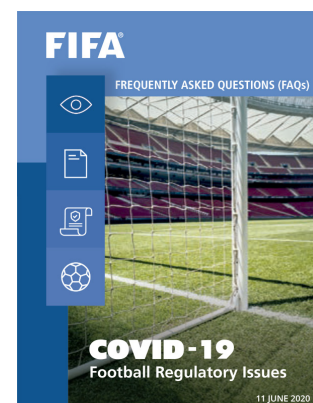


9. 2020 SPECIAL PACKAGE

2020 was a transitional moment for the reform of the football transfer system. The COVID-19 pandemic brought unique challenges to football and to wider society. In the context of the reform, it delayed several of the matters agreed in 2018 and 2019 and the negotiations regarding the third reform package. However, it did allow the FIFA administration to concentrate its resources into policy areas that had previously been overlooked or that did not form part of the 2018 White Paper.

The Bureau of the FIFA Council adopted several reforms related to the pandemic in April 2020 and June 2020.

Also, on 18 November 2020, the Football Stakeholders Committee endorsed reforms related to maternity, coaches, and minors. They were formally adopted by the FIFA Council on 4 December 2020 and entered into force on 1 January 2021.



9.1 RESPONSE TO THE COVID-19 PANDEMIC

The COVID-19 pandemic has been the most significant disruption to global football since World War II. The speed of its onset required FIFA to develop a swift and efficient regulatory and commercial response.

On 18 March 2020, the Bureau of the FIFA Council established the FIFA-Confederations COVID-19 Working Group to address the consequences of the pandemic and agree on a coordinated approach. The Bureau mandated the Task Force Transfer System to develop policies, proposals and amendments to address the situation.

On 7 April 2020, the COVID-19 Football Regulatory Issues document was published. It provided several recommendations and set out temporary amendments to FIFA regulations.

Between April and June 2020, FIFA held 13 workshops with more than 350 representatives from member associations and affiliates of the World Leagues Forum and the European Club Association to both explain the decisions made in April 2020 and gain an insight into the practical impact of the pandemic on their football and administrative operations.

On 11 June 2020, the COVID-19 Football Regulatory Issues: Frequently Asked Questions document was published. It clarified certain matters (particularly those raised in the workshops) and addressed further temporary amendments to FIFA regulations.

The **FIFA recommendations** and temporary amendments provided in both documents addressed several core matters, including:

(1) Concerning the expiry and commencement of contracts.

FIFA recommended that agreements should be extended or delayed to coincide with the new start or end of the season.

(2) Where employment contracts could no longer be performed.

FIFA recommended that clubs and employees work together to find appropriate collective agreements, and in the absence of such agreements, details were provided on the specific circumstances in which the FIFA bodies would respect unilateral decisions to vary contractual terms.

(3) Where an employment contract was suspended (e.g. where a furlough or stand-down action was undertaken).

Clubs were required to maintain insurance coverage and find adequate alternative income support arrangements for employees.

(4) Temporary amendments were made to FIFA regulations, including:

- i.** permitting member associations to exceptionally extend, postpone or amend their registration period, subject to certain strict conditions, with member associations with a dual-year calendar being exceptionally allowed to commence their first registration period of the new season up to four weeks prior to the completion of the previous season;
- ii.** permitting a professional whose contract had expired or been terminated because of COVID-19 to be registered outside a registration period, regardless of the date of expiry or termination;
- iii.** suspending the rules governing the release of players to national representative teams during international windows;
- iv.** delaying the implementation of new rules governing loan transfers;
- v.** permitting players to be registered and play for a maximum of three (as opposed to two) clubs during the same season; and
- vi.** waiving any costs to be paid for disputes before the FIFA bodies until the end of 2020.



9.2 MATERNITY PROTECTIONS

Women's football had exhibited extraordinary growth during the previous decade, with the levels of participation, competitiveness and global exposure all on the rise.

This progress required FIFA to examine whether the regulatory framework for female professionals was adequate to protect them and provide them with the best possible platform and conditions for longevity and long-term career prospects. In this context, the Regulations on the Status and Transfer of Players failed to address the crucial topic of maternity and the unique challenges faced by the professionals affected.

Football stakeholders agreed on a series of reforms providing minimum guarantees for female professionals in line with recommendations of the International Labour Organization. These guarantees and protections **are mandatory at national level**. Member associations are naturally free to incorporate stronger guarantees and protections.

The protections included:

(1) MANDATORY REMUNERATION (NEW ARTICLE 18 PARAGRAPH 7 RSTP)



Pursuant to International Labour Organization Convention No. 183, and in the absence of more beneficial conditions provided by national legislation or a collective bargaining agreement, a female player is entitled to maternity leave, defined as a minimum period of 14 weeks' paid absence – with at least eight weeks after birth – during the term of the contract, paid at the equivalent of two thirds of her contracted salary.

(2) RETURN TO WORK (NEW ARTICLE 18QUATER RSTP)



A player has the right to return to football activity after the completion of her maternity leave. Her club is under an obligation to reintegrate her into football activity and provide adequate ongoing medical support. The player must be given the opportunity to breastfeed an infant and/or express milk. Clubs must provide suitable facilities in accordance with applicable national legislation or a collective bargaining agreement.

(3) REGISTRATION (NEW ARTICLE 6 PARAGRAPH 1 RSTP)



Clubs may exceptionally register a female player outside of a registration period to temporarily replace another female player who has taken maternity leave. The duration of the contract of the temporary replacement shall, unless mutually agreed otherwise, be from the date of registration until the day prior to the start of the first registration period after the return of the player that has taken maternity leave. The registration of a female player who has completed her period of maternity leave shall exceptionally be allowed to occur outside the registration period.

Minimum guarantees for female professionals



(4) PROTECTION DURING PREGNANCY (NEW ARTICLE 18QUATER RSTP)



In order to ensure that pregnant players are not put at risk, should they choose to continue to keep playing, female players have the right to receive regular and independent medical advice. Pregnant players should also have the right to provide services to their club in an alternate manner. In such cases, the club has an obligation to respect this decision and work with the player to formalise a plan for her alternate employment.

(5) SPECIAL PROTECTION FROM DISMISSAL FOR FEMALE PLAYERS (NEW ARTICLE 18QUATER RSTP)



No female player should ever suffer a disadvantage of any sort on the basis of her pregnancy. As a consequence, the unilateral termination of a female player's contract on the grounds of her becoming pregnant shall be considered a termination without just cause. Such a termination shall be considered an aggravating circumstance and shall, in addition to the obligation to pay compensation, lead to the imposition of sporting sanctions, which may be combined with a fine.

9.3 COACHES

Coaches are the oft-overlooked stakeholder group within football's regulatory framework. Prior to the reform of the transfer system, the word "coach" only appeared once in the Regulations on the Status and Transfer of Players and this was only to provide FIFA with jurisdiction to decide disputes involving a coach with an international dimension.

The absence of recognition within FIFA regulations meant that coaches – unlike players – lacked legal certainty as to their contractual protections, rights and obligations.

Football stakeholders agreed to insert a new annexe into the Regulations on the Status and Transfer of Players to specifically regulate the employment conditions of coaches. Coaches are now provided with the same legal certainty and clarity previously only afforded to players. The new annexe specifically covers the following issues.

For the first time, a definition of the term "**coach**" was introduced in the FIFA regulations:

- An individual employed in a football-specific occupation by a professional club or association whose: i. employment duties consist of one or more of the following: training and coaching players, selecting players for matches and competitions, making tactical choices during matches and competitions; and/or ii. employment requires the holding of a coaching licence in accordance with a domestic or continental licensing regulation.

The new rules only apply to employment relationships of an international dimension between coaches and professional clubs or associations.



They focus on the following aspects:

(1) CLARITY ON THE FORM OF EMPLOYMENT CONTRACTS

(New article 2 of Annexe 2 RSTP)



Contracts must include essential elements such as rights and obligations, remuneration, period of duration, etc.

(2) PROVISIONS REGARDING CONTRACTUAL STABILITY

(New article 3, 4, 5 & 6 of Annexe 2 RSTP)



For coach/club and coach/association employment relationships. New provisions regarding the principle of respecting a contract which mirror those already in existence for players. There are for example, specific provisions on the respect of contracts, termination of contracts and consequences of unilateral terminations.

(3) ADDRESSING THE QUESTION OF OVERDUE PAYABLE DUE TO COACHES

(New article 7 of Annexe 2 RSTP)



Clubs and associations must comply with their financial obligations towards coaches as per the terms stipulated in the contracts they sign. FIFA recognises that the overdue payables concept has proven to be a very effective tool to reinforce contractual stability between clubs and players. The same effect is therefore expected when it comes to overdue payables due to coaches, i.e. outstanding remuneration due to a coach.

(4) EXECUTION OF MONETARY DECISIONS

(New article 8 of Annexe 2 RSTP)



The competence of the decision making body to decide on the consequences for any club or player if they fail to comply with a monetary decision also extends to disputes involving coaches. To better protect all those involved, this provision provides details on the consequences that a club, an association and a coach will face should they not comply with a decision taken by a FIFA decision-making body ordering them to pay a sum of money.

9.4 MINORS ('SAME COUNTRY EXCEPTION')

Following an enquiry from the four UK member associations regarding the regulatory impact ahead of the "hard Brexit" in December 2020, it became apparent that there was legal uncertainty regarding the international transfer of minors.

For football purposes, the transfer of a player between a club affiliated to the (for example) Scottish Football Association and a club affiliated to the (for example) Football Association of Wales is considered an international transfer. Although the FIFA rules prohibit the international transfer of players until they turn 18 years old, they also contain an exception for the European Union or European Economic Area, permitting a minor to be transferred within those territories from the age of 16, subject to certain conditions being met.

In theory, the “hard Brexit” meant that a minor who had previously been able to transfer “internationally” within the United Kingdom at 16 years old would now only be permitted to do so as from the age of 18. This created a situation in which a minor would not be permitted to transfer within the same country. Accordingly, stakeholders agreed to extend the “European rule” (i.e. the international transfer of a minor at 16 years old, subject to certain conditions) to football associations that are located in the same country. Subject to the operation of national law, there are several member associations - including the four UK member associations – that may rely on the new exception to the rules.



FIFA®

10

2021

**THIRD REFORM
PACKAGE**



10. 2021 THIRD REFORM PACKAGE

The third reform package addressed the remaining issues developed in the 2018 White Paper. The Task Force Transfer System also agreed to examine other regulatory matters that did not form part of the original work plan: collective bargaining agreements, “sporting just cause” and registration.

10.1 MINORS

Based on the feedback received and the research undertaken, proposals were developed by the FIFA administration and shared with stakeholders.

After discussions and further work on possible amendments to the existing regulations, including additional exchanges with stakeholders, the FIFA Council approved the adoption of the following key changes on 22 October 2022 (and the respective amendments to the RSTP), with the aim of further protecting minors within a modern, state-of-the-art regulatory framework:

(1)

More flexible and broader application of the “humanitarian exception” as contained in article 19 of the Regulations on the Status and Transfer of Players.

(2)

Establishment of a clear regulatory framework for trials (of minors or adults), including rules concerning medical care, costs for trials and an effective way to seek legal protection.

(3)

More stringent regulation in relation to private academies to increase oversight of minors within this environment, at both national and international level.

(4)

Additional rules concerning a club’s duty of care towards minors and principles to protect minors against abuse.



10.2 REGISTRATION PERIODS

Research by the FIFA administration coupled with stakeholder feedback identified that the primary concern with registration periods is their lack of harmonisation and the varying season dates among different domestic competitions.

The issues raised do not accord with two core pillars of the football transfer system, namely competitive balance and protecting the regularity of sporting competitions:

- (1) Where the first registration period is open after a competition has begun, there is a direct impact on competition integrity as clubs can make changes to their squads after the beginning of the competition.
- (2) A competitive advantage exists for clubs affiliated to member associations (particularly “buying” leagues) where the registration period closes later than others. Clubs affiliated to member associations where the registration period closes earlier – after losing a player to a club affiliated to a different member association with an open registration period – are not in a position to replace the player who has left, despite their competition still being active.
- (3) Challenges for clubs in certain member associations due to overlapping season dates. For certain clubs, the period during which they are most vulnerable to losing players corresponds to their “short” second registration period, meaning that there is less of an opportunity for them to replace any players who move abroad.



On **14 May 2021**, the following principles were endorsed:

(1) Flexible application

Flexibility to be allowed regarding the time allocated to registration periods each season.

(2) Association football calendar

Redefinition of the correlation between the: (i) season start date; (ii) national competition start date; and (iii) opening and closing of the first registration period of a season.

(3) Employment opportunities at the end of registration periods

More possibilities to be explored for unemployed players to be registered outside registration periods.

The FIFA Task Force Transfer System is set to continue its deliberations on those principles in early 2023 and amendments to the existing Regulations reflecting these principles are expected to be adopted subsequently.

10.3 FINANCIAL REGULATION

Research by the FIFA administration coupled with stakeholder feedback identified the following matters:

- (1) The current regulatory framework applies limited financial regulation. It does not address any matters relating to financial flows in the football transfer system.
- (2) Global financial regulation should aim to provide financial transparency, reduce speculative and excessive valuations of player registrations, protect competitive balance and promote good governance and the financial sustainability of clubs.
- (3) Several different types of financial regulation exist at international and domestic levels across a range of different sports. All seek similar aims to those stated above.

On **14 May 2021**, the following principles were endorsed:

(1) Financial governance guidelines

To explore the possibility of recommending global financial governance guidelines to incentivise financial sustainability and stability, minimum club governance measures and the transparency of financial flows within the football transfer system.

(2) Financial consequences in cases of breach of contract

To explore whether the financial consequences determined in article 17 of the Regulations on the Status and Transfer of Players are sufficient for the purposes of the objectives of the football transfer system.

The FIFA Task Force Transfer System is set to deliberate on those principles in early 2023.

10.4 OTHER REGULATORY MATTERS

In 2021, stakeholders agreed to examine three additional policy areas that were not part of the 2018 White Paper. On 14 May 2021, the following principles were endorsed:

(1) Respect of collective bargaining agreements

Stakeholders agreed to examine the primacy of collective bargaining agreements (where referencing labour matters) that have been validly negotiated by employer and employee representatives at domestic level in accordance with national law.

(2) Sporting just cause

An assessment would be carried out of article 15 of the Regulations on the Status and Transfer of Players, which permits a player to terminate a contract with "sporting just cause", considering whether it continues to fulfil its original purpose.

(3) Registration

The regulatory framework governing registration would be examined, with the aim of providing legal certainty and transparency on several elements.

The FIFA Task Force Transfer System is set to deliberate on those principles in early 2023.



OTHER NECESSARY MEASURES



11 . OTHER NECESSARY MEASURES

Although the formal work plan of the Football Stakeholders Committee covered several necessary areas of policy reform, a number of governance and operational reforms have also been undertaken to facilitate the proper functioning of the football transfer system. These reforms, led by the FIFA administration, are discussed in detail below.

11.1 2019: NEW ARTICLE 15 PARAGRAPH 4 OF THE FIFA DISCIPLINARY CODE (SPORTING SUCCESSION)

In view of the increasing practice of clubs to try to avoid their mandatory financial responsibilities and obligations towards other clubs - and especially towards players and coaches - by “phoenix-birding” as “new” clubs, FIFA decided, as part of the 2019 revamp of the FIFA Disciplinary Code, to expressly regulate this practice and act against the sporting successor of a debtor club in order to protect and safeguard the rights of creditors, as well as to avoid cases of abuse through the circumvention of the rules.

In particular, through the new article 15 paragraph 4 of the FIFA Disciplinary Code, FIFA codified and reinforced the well-established jurisprudence of the FIFA bodies and CAS by establishing that the sporting successor of a non-compliant party (debtor) shall also be considered a non-compliant party and, thus, subject to the same obligations and consequences established under article 15 of the FIFA Disciplinary Code. This includes the non-compliance by the original club with any financial or non-financial decision from FIFA or CAS.

The (non-exhaustive list of) criteria to assess whether an entity is to be considered as the sporting successor of another entity, as per the existing jurisprudence, were also added to that provision. Such criteria include, among others, the headquarters, name, legal form, team colours, players, shareholders or stakeholders or ownership, and the category of competition concerned.

The codification of this “disciplinary tool” has undoubtedly served to better avoid cases of abuse by defaulting clubs, as well as contributing towards better protection for creditor parties - likewise ensuring, to a greater extent, the efficient deliverance of financial and non-financial justice for the football stakeholders, and especially, for players and coaches.

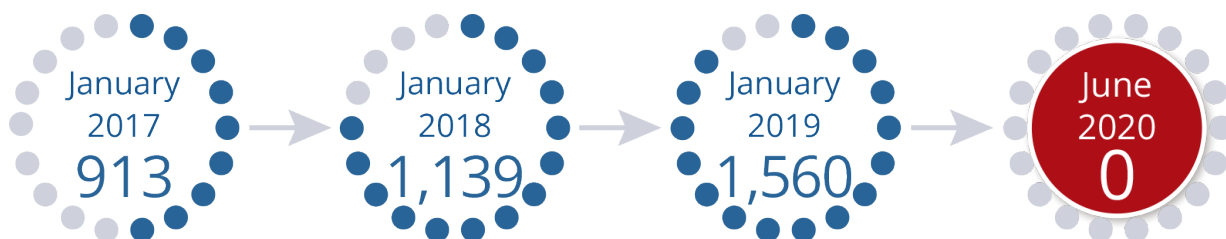


11.2 2019-2020: CLEARING THE BACKLOG

In **March 2001**, in the context of the discussions between FIFA, UEFA and the European Commission, the Dispute Resolution Chamber was formed. Over the past 20 years, its activity has set a global example. It is composed of representatives of clubs (employers) and players' unions (employees), who hand down international decisions regarding employment-related disputes.

The Dispute Resolution Chamber has evolved into a high-volume litigation centre, with the number of cases lodged (and decided) increasing exponentially year by year. This led to a significant backlog, resulting in parties waiting for decisions for periods of more than a year, if not more. In 2017, the number of cases that had been outstanding for more than four months was already at the relatively high level of 913. Two years later, this had soared to 1,560 cases. However, by June 2020, after the implementation of a new operational strategy and the reallocation of internal resources, there were no cases outstanding for more than four months.

This new operational approach continues to succeed to this day, despite the number of cases being lodged before FIFA bodies in 2021 being the highest on record.



Reducing the backlog of cases has provided quicker access to justice for all actors within the football transfer system and, in particular, players who have not been paid their contractual salaries. There has been no backlog of regulatory applications or claims related to contractual disputes since 2020.



11.3 2020: FIFA FUND FOR FOOTBALL PLAYERS

On **11 February 2020**, FIFA and FIFPRO announced their agreement to establish the FIFA Fund for Football Players. FIFA set aside USD 16m to finance the fund up to the end of 2022.

The fund was established to provide financial support to players who have not been paid and have no chance of duly receiving the wages agreed with their clubs, due to their clubs being declared insolvent, liquidated, subject to bankruptcy proceedings, or disaffiliated from organised football. It followed several FIFPRO reports demonstrating the proliferation of cases involving players not receiving their salaries globally.

In **May 2021**, after submitting applications covering the period between 1 July 2015 and 30 June 2020, 1,005 players were successful in obtaining a grant, with the total amount distributed being USD 5m.

In **April 2022**, after the receipt of applications covering the period between 1 July 2020 and 31 December 2020, a further USD 3m was awarded to 140 players.

A further USD 8m will be distributed by the fund for the application periods covering the 2021 and 2022 calendar years (USD 4m per application period).

Facts and Figures

(Period 1 / July 2015
June 2020)

NO. OF APPLICATIONS
RECEIVED

1089 

NO. OF APPROVED
APPLICANTS

1005 

NO. OF
AFFECTED CLUBS

109 

NO. OF AFFECTED
MEMBER ASSOCIATIONS

36 

FUND
ALLOCATION

USD 5m 

(Period 2 / July 2020
December 2020)

NO. OF APPLICATIONS
RECEIVED

142 

NO. OF APPROVED
APPLICANTS

140 

NO. OF
AFFECTED CLUBS

39 

NO. OF AFFECTED
MEMBER ASSOCIATIONS

22 

FUND
ALLOCATION

USD 3m 



11.4 2021: FIFA FOOTBALL TRIBUNAL

On **21 May 2021**, the 71st FIFA Congress approved several amendments to the FIFA Statutes. One of those amendment packages involved the establishment of the FIFA Football Tribunal. The package followed the first full-scale governance review of the FIFA dispute resolution system since the introduction of the Football Stakeholders Committee. The review determined the following:

- (1) The existing Players' Status Committee had both a policy and legislative function and a dispute resolution function. The first function significantly overlapped with the policy function of the Football Stakeholders Committee.
- (2) There were significant governance deficiencies within the existing FIFA regulatory framework with respect to the appointment, terms of office and other significant matters of the Dispute Resolution Chamber, the judges of the Players' Status Committee and the various sub-committees of the Players' Status Committee.

It was subsequently recommended that:

- (1) The legislative functions of the Players' Status Committee be consolidated into the Football Stakeholders Committee.
- (2) A single body be established to consolidate the powers assigned to the existing regulatory decision-making bodies.
- (3) The functions and powers of this body be consolidated into modernised procedural rules, with FIFA regulations being amended accordingly.

The FIFA Football Tribunal commenced operations on **1 October 2021**. It acts as the single umbrella body for regulatory decision-making. It is composed of three specific chambers:

- (1) **The Dispute Resolution Chamber**

Which decides employment-related disputes between players and clubs, as well as disputes related to training rewards.

- (2) **The Players' Status Chamber**

Which decides contractual disputes between clubs with an international dimension, employment-related disputes involving a coach and a club or a member association with an international dimension, regulatory applications related to the international transfer system, protection of minors, eligibility to play for national teams and release of players for national teams.

- (3) **The Agents Chamber**

Which will decide disputes involving football agents.

The Football Tribunal is governed by specific procedural rules, which bring together all governance and procedural matters relating to its operation. Since the implementation of the Football Tribunal, the Dispute Resolution Chamber has received approximately 3,500 disputes, while the Players' Status Chamber has received approximately 600 disputes and more than 10,000 regulatory applications.



11.5 2021: UPDATED COMMENTARY ON THE REGULATIONS ON THE STATUS AND TRANSFER OF PLAYERS

In 2007, FIFA published its Commentary on the Regulations on the Status and Transfer of Players to supplement the transfer rules that were first published in 2001. This first edition, which totalled 76 pages, provided interpretation on the rules in force at the time.

Despite significant regulatory amendments over the subsequent years, the commentary was never updated. This meant that the different stakeholders and their professional advisors had limited access to or knowledge of any policy or interpretative changes made by FIFA with respect to its regulations.

While not technically part of the transfer reform, it is worth highlighting that in **November 2021**, FIFA published an updated commentary. Totalling 553 pages, it provides a full interpretation and history of the Regulations on the Status and Transfer of Players, with references to recent decisions of the Football Tribunal and the Court of Arbitration for Sport. In this spirit of transparency, FIFA has committed to publishing a new edition every two years.



11.6 2022: UKRAINE / RUSSIA

FIFA, along with the international community, has on several occasions condemned Russia's invasion of Ukraine which commenced in **February 2022**. The invasion required swift action by FIFA to provide protections for football employees and clubs caught in the middle of a horrific geopolitical situation.

On **8 March 2022**, the Bureau of the FIFA Council introduced a temporary annexe to the Regulations on the Status and Transfer of Players to govern the situation. This was accompanied by an interpretative note for all member associations.

On **16 March 2022**, further developments in the conflict led the Bureau to amend the temporary annexe to provide further protection to players.

The temporary rules can be summarised as follows:

- (1) **Contracts** (with an international dimension) between employees (players or coaches) and clubs affiliated to the Ukrainian Association of Football were automatically suspended until 30 June 2022.
- (2) If no **agreement** was made by 10 March 2022, contracts (with an international dimension) between employees (players or coaches) and clubs affiliated to the Football Union of Russia may be suspended by the relevant employee until 30 June 2022 without consequences.
- (3) A **player** whose previous registration was with a club affiliated to the Ukrainian Association of Football or the Football Union of Russia may be registered with a maximum of four clubs during one season and is eligible to play official matches for three different clubs.
- (4) A **player** whose previous registration was with a club affiliated to the Ukrainian Association of Football or the Football Union of Russia may be registered outside a registration period, provided that such registration occurred before or on 7 April 2022. This applied to all players with respect to Ukraine and to foreign players with respect to Russia.
- (5) A **club** may register a maximum of two professional players who have benefited from an automatic suspension or the ability to play official matches for up to three different clubs in the same season.
- (6) Any **minors** residing in the territory of Ukraine at the outset of the conflict are automatically deemed to qualify for the humanitarian exception in the Regulations on the Status and Transfer of Players, and may be registered with another member association accordingly.
- (7) No entitlement to **training compensation** will be due if a player who meets the above criteria and has suspended a contract is registered at a new club.

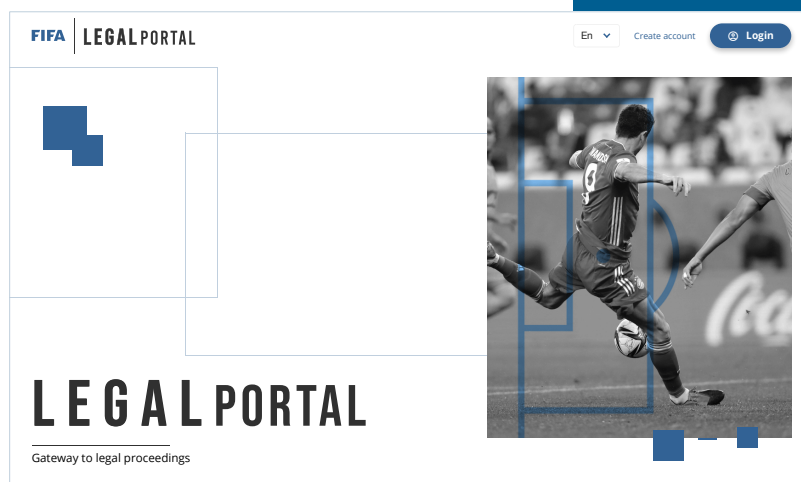
Subsequently, on 20 June 2022, the Bureau of the Council extended these temporary rules **until 30 June 2023**, with clubs having until 30 June 2022 to reach a mutual agreement with their players/coaches before the regulatory possibility to suspend a contract would be applicable.



11.7 LEGAL PORTAL

As part of its ongoing commitment to modernising FIFA's regulatory framework, **in April 2022** FIFA launched the FIFA Legal Portal, an online platform through which proceedings before the FIFA Football Tribunal and FIFA judicial bodies are conducted.

The portal enables football stakeholders – such as clubs, players, associations, intermediaries, legal representatives with a power of attorney, and anyone involved in proceedings – to lodge a claim with the relevant FIFA decision-making or judicial body.



While the proceedings will still be governed by the respective FIFA regulations, the notification of communications, submissions, decisions and other documents are also handled through the FIFA Legal Portal, which aims to ensure simple, secure and transparent communication between FIFA and the parties involved, as well as a better understanding of the proceedings and heightened traceability.

The FIFA Legal Portal will gradually replace the current email communication system. As a result, after a transitional period, proceedings will exclusively be initiated through the portal and correspondence concerning proceedings before the FIFA Football Tribunal and FIFA judicial bodies will solely be conducted via the portal.

11.8 CAS AND FOOTBALL

In the context of the new negotiations between FIFA and the Court of Arbitration for Sport (CAS) covering the period 2023-2026, substantial changes were introduced to the agreement that had previously been in force since 2014. Among the most relevant changes are:

- (1) For the first time ever, FIFA and its stakeholders will be represented within the International Council of Arbitration for Sport (ICAS). This step allows for the football world to be represented in a manner reflecting its prominence in CAS arbitration over the last 20 years.
- (2) Additionally, the Football List of arbitrators shall be increased to up to 200 members and the list of mediators to 30. This will further guarantee that football-related disputes continue to be resolved by qualified legal experts in football matters, whose numbers continue to increase yearly.
- (3) In order to facilitate access to CAS arbitration for persons without the financial means to do so (players, coaches, agents, etc.), the first legal aid fund specifically for football will be set up and begin operating as from 1 February 2023. This fund, which shall be financed by FIFA, shall ensure that sufficient funds are available annually to persons who would otherwise not have the means to arbitrate before the CAS.



11.9 NEW ANNEXE 3 OF THE REGULATIONS ON THE STATUS AND TRANSFER OF PLAYERS

Annexe 3 of the RSTP has been governing the international transfer of professional and amateur eleven a-side football players (both men and women), a process which is undertaken in TMS for more than a decade for male professional players.

In the same vein, Annexe 3a of the RSTP has been governing the international transfer of professional and amateur futsal players (both men and women). However, this is currently undertaken outside TMS. Likewise, Annexe 6 of the RSTP has been governing the status and transfer of futsal players.

As consistently raised by member associations and clubs, Annexe 3 of the RSTP was long-outdated and required modernisation. In this respect, a consultation process was conducted with member associations, several clubs designated by the European Club Association and two professional leagues (English Premier League and German *Bundesliga*), which provided feedback and suggestions on a new draft of Annexe 3, which streamlines the regulatory framework and simplifies the international transfer process in line with the activities provided in TMS.

The new Annexe 3 of the RSTP, endorsed by all parties consulted, has the following main features:

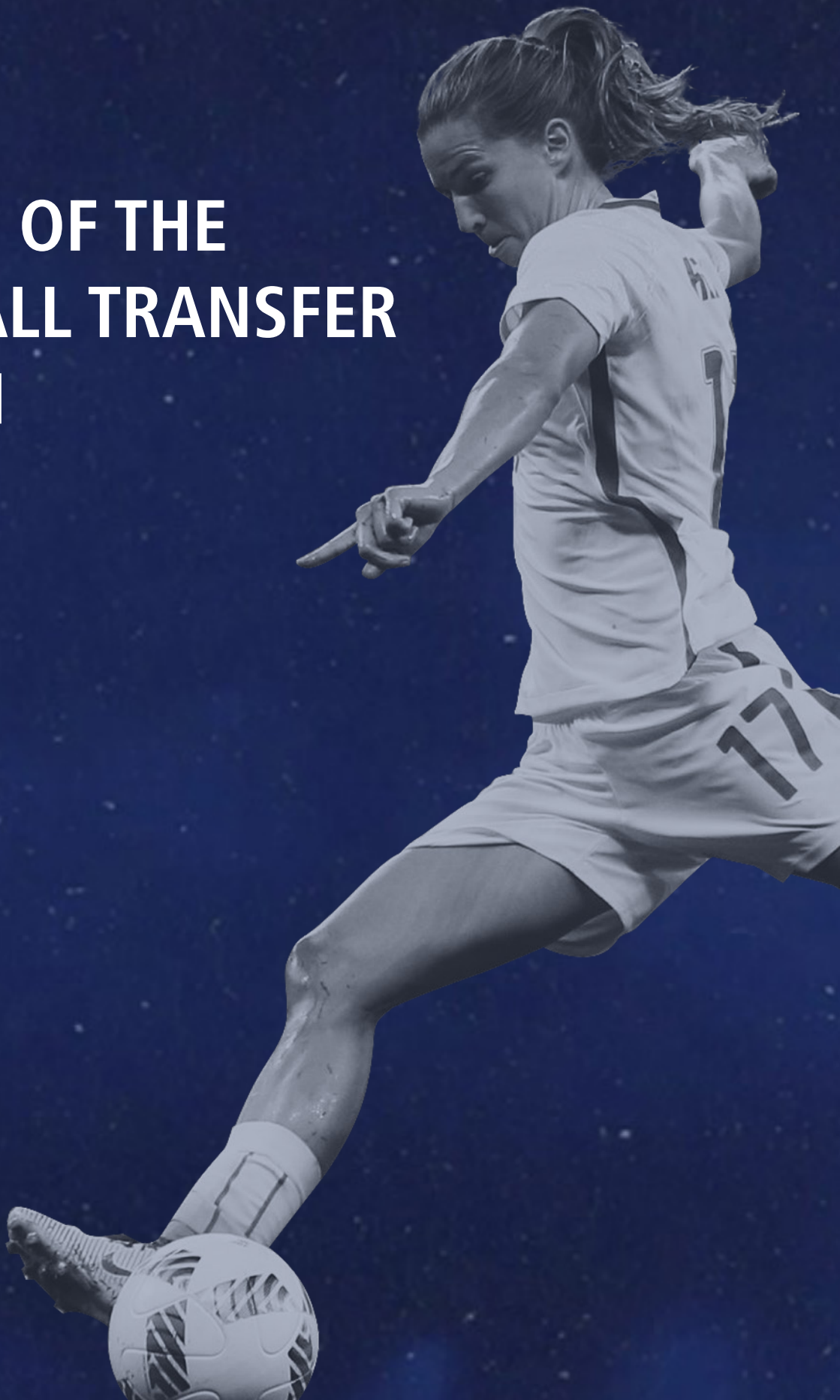
- (1) A more agile structure that follows the procedure to create and complete a transfer in TMS.
- (2) Clear codification of FIFA's practices (e.g. clubs' obligation to declare in TMS the training compensation waiver as an "engage/release" instruction).
- (3) Clear codification of special procedures affecting international transfers of players, namely:
 - i. Player confirmation
 - ii. Validation exceptions
 - iii. Cancellation

Likewise, the FIFA administration has consolidated the existing Annexe 3a (governing the international transfer procedure for futsal players) into the existing Annexe 6 (governing the status and transfer of futsal players), and updated the language of Annexe 6 to reflect the changes made to the RSTP in recent years. As a result, all rules governing futsal players are included in one single annexe.

Amendments were approved by the FIFA Council at its meeting on **22 October 2022**.



**FUTURE OF THE
FOOTBALL TRANSFER
SYSTEM**



12. FUTURE OF THE FOOTBALL TRANSFER SYSTEM

2022 was both a beginning and an end for the reform of the football transfer system that kicked off with the launch of FIFA 2.0 in late 2016.

Several of the core reforms introduced in the first, second and third reform packages were finally executed. This includes, among others:

- (1) The launch and go-live of the **FCH**.
- (2) The introduction of the **FIFA Football Agent Regulations**.
- (3) The continuation on the **modernisation of the football regulatory framework** with the new regulations on loans and further protection for minor players, alongside the previously approved maternity protection for female players and the regulatory framework for coaches.

The results of the previous five years speak for themselves and the following are chief among them:

- (1) **Employees (players and coaches)**
Are better protected than ever before, with more mechanisms to ensure that they are paid their contractually owed salaries.
- (2) **Clubs**
Have more legal certainty on key topics. Those that develop professional players will be automatically compensated for such activity, relieving them of a significant administrative burden.
- (3) **FIFA**
Has streamlined its administrative processes, provided practical and modern solutions to existing problems, and built transparency into a notoriously complex and opaque system.

These reforms, in conjunction with the many others presented in this document, will revolutionise how business is conducted within the football transfer system for decades.

However, this does not mean that the reform is complete. The Task Force Transfer System remains focused as it seeks to accomplish the final items in the work plan first adopted by the Football Stakeholders Committee in 2018. Several key amendments will be introduced in the next two years regarding registration periods (transfer windows), financial matters, the recognition of collective bargaining agreements, registration and “sporting just cause”.

The future of the football transfer system remains to be written. FIFA continues to be mindful of changes within the football ecosystem and is ready to adapt and modernise its rules accordingly.

FIFA®

**THE REFORM OF
THE TRANSFER
SYSTEM**

2017-2022