Preliminary ruling request on the remuneration for the provision of services for development and career support in a particular sport

Official publication had been made of a preliminary ruling request from the *Augstākā tiesa (Senāts)* (Latvia) lodged on 9 June 2023 concerning the payment of a remuneration under an agreement for the provision of services for development and career support in a particular sport: *Arce* (C-365/23).

The case at hand concerns an agreement concluded in January 2009, between SIA A with C, a 17-year-old aspiring sportsperson, and his parents, D and E, aiming to provide development and career support services for C to become a successful professional athlete. The 15-year agreement included coaching, sports medicine, career guidance, contract negotiation, marketing, legal, and accounting services. C was required to pay SIA A 10% of his income during the agreement's term in exchange for these services.

In June 2020, SIA A initiated legal action against C, D, and E to claim the agreed remuneration. The application stated that SIA A, a Latvian sports development company, offered services to enhance athletes' careers and required payment if earnings exceeded EUR 1,500 per month. SIA A provided various services to C in the initial years, which included training sessions and investment from SIA A. However, C and his parents breached the agreement by failing to pay the stipulated remuneration.

After legal proceedings, both the first instance and appeal courts ruled against SIA A's claims, citing non-compliance with consumer protection regulations. SIA A appealed this decision, asserting that the agreement should be categorized as a contract for "joueurs espoir" (prospective players), which they argued would exempt it from consumer protection rules. SIA A also requested a preliminary ruling from the Court of Justice on specific unclear interpretations of EU law relevant to the case's outcome.

In this context the Court of Justice is asked to clarify the following questions:

- 1. Does a contract for the provision of services for development and career support for a sportsperson, concluded between a trader carrying on its professional activity in the field of the development and coaching of sportspersons, on the one hand, and, on the other, a minor represented by his or her parents who, at the time the contract was concluded was not carrying on a professional activity in the field of the sport in question, fall within the scope of Directive 93/13/EEC of on unfair terms in consumer contracts?
- 2. In the event that the answer to the first question is in the negative, does Directive 93/13 preclude national case-law that interprets the legislation transposing that directive into national law in such a way that the consumer protection provisions contained in that legislation are also applicable to such contracts?
- 3. In the event that the answer to the first or the second question is in the affirmative, may a national court carry out an assessment of the unfair nature, in accordance with Article 3 of Directive 93/13, of a contractual term which provides that, in exchange for the provision of the services, specified in the contract, for development and career support in a particular

sport, the young sportsperson agrees to pay remuneration consisting of 10 % of the income received over the following 15 years, and find the term in question not to be one whose unfair nature is not, in accordance with Article 4(2) of Directive 93/13, subject to assessment?

- 4. In the event that the answer to the third question is in the affirmative, must a contractual term be found to have been drafted in plain, intelligible language within the meaning of Article 5 of Directive 93/13 where it provides that, in exchange for the provision of the services, specified in the contract, for development and career support for a sportsperson, the young sportsperson agrees to pay remuneration consisting of 10 % of the income received over the following 15 years, having regard to the fact that, at the time the contract was concluded, the young sportsperson did not have clear information about the value of the service provided or the amount he would have to pay in return for that service such as to enable him to evaluate the economic consequences it could have for him?
- 5. In the event that the answer to the third question is in the affirmative, must it be found that a contractual term according to which, in return for the provision of the services, specified in the contract, for development and career support for a sportsperson, the young sportsperson agrees to pay remuneration consisting of 10 % of the income received over the following 15 years, is, in accordance with Article 3(1) of Directive 93/13, a term that causes a significant imbalance in the parties' rights and obligations arising under the contract, to the detriment of the consumer, in view of the fact that under that Article 3(1) the value of the service provided is not linked to the cost it involves for the consumer?
- 6. In the event that the answer to the fifth question is in the affirmative, would a decision of a national court be contrary to Article 6(1) of Directive 93/13 where it reduces the amount that a consumer may be required to pay to the service provider to the amount of the actual expenditure incurred by the service provider in providing the services to the consumer under the contract?
- 7. In the event that the answer to the third question is in the negative, if a contractual term which provides that, in exchange for the provision of the services, specified in the contract, for development and career support for a sportsperson, the consumer agrees to pay remuneration consisting of 10 % of the income received over the following 15 years, is not, by virtue of Article 4(2) of Directive 93/13, subject to an assessment of whether it is unfair, may a national court, which has found the amount of the remuneration to be manifestly disproportionate to the contribution made by the service provider, nevertheless declare the contractual term in question to be unfair on the basis of national law?
- 8. In the event that the answer to the seventh question is in the affirmative, in the case of a contract concluded with a consumer before Article 8a of Directive 93/13 came into force, must regard be had to the information provided by the Member States to the European Commission under Article 8a of that directive on the measures adopted by the Member State under Article 8 of the directive and, if it must, is the jurisdiction of the national courts limited by the information provided by that Member State under Article 8a of Directive 93/13 where the Member State has indicated that its legislation does not go beyond the minimum standard established in that directive?
- 9. In the event that the answer to the first or the second question is in the affirmative, in the light of Article 17(1), in conjunction with Article 24, of the Charter, what is the significance as regards the application of the legislation transposing the provisions of Directive 93/13 into national law, of the fact that, at the time of conclusion of the contract for the provision of services in question, with a term of 15 years, the young sportsperson was a minor and, therefore, the contract was concluded by the minor's parents on his behalf, and established an obligation on him to pay remuneration of 10 % of all income received in the following 15 years?

10. In the event that the answer to the first or the second question is in the negative, having regard to the fact that sporting activities fall within the scope of EU law, are the fundamental rights enshrined in Article 17(1), in conjunction with Article 24(2), of the Charter, infringed by a contract for the provision of services with a term of 15 years concluded with a young sportsperson, who is a minor — concluded on his behalf by his parents — under which the minor is obliged to pay remuneration consisting of 10 % of all income received in the following 15 years?

Read the official publication <u>here</u> and the full preliminary ruling request <u>here</u>.