



## **Principles for the amendment of FIFA rules regarding international transfers**

### **Preamble**

*All players who have reached the end of their contracts are free to move internationally throughout the world subject to the provisions of paragraph 2 below concerning training compensation.*

### **1. PROTECTION OF MINORS**

In order to provide a stable environment for the training and education of players, international transfers or first registration of players under the age of 18 shall be permitted subject to the following conditions:

- a) the family of the player moves for reasons not related to football into the country of the new training club, or
- b) within the territory of the EU/EEA and in the case of players between the minimum working age in the country of the new training club and 18 suitable arrangements are guaranteed for their sporting training and academic education by the new training club. For this purpose a code of conduct will be established and enforced by the football authorities.

### **2. TRAINING COMPENSATION FOR YOUNG PLAYERS**

In order to promote player talent and stimulate competition in football it is recognised that clubs should have the necessary financial and sporting incentives to invest in training and educating young players. It is further recognised that all clubs which are involved in the training and education process should be rewarded for their contribution according to the following principles:

- 2.1 The training and education of a player takes place between the ages of 12 and 23. Training compensation shall be payable as a general rule up to the age of 23 for training incurred up to the age of 21, unless it is evident that a player has already terminated his training period before the age of 23.
- 2.2 When a player signs his first contract as a professional a sum of compensation shall be paid to the club(s) involved in the training and education of the player.
- 2.3 Compensation shall be paid on each occasion the player changes club up to the time his training and education is complete, which as a general rule occurs when the player is 23 years of age.
- 2.4 The amount of compensation to be paid for training and education shall be calculated in accordance with the parameters set out in Annex I.



- 2.5 When a player signs his first contract as a professional, or when a player moves as a professional at the end of his contract but before reaching the age of 23, the amount of compensation shall be limited to compensation for training and education, calculated in accordance with the parameters set out in Annex I.
- 2.6 If a player moves during the course of a contract but before reaching the age of 23, compensation for training and education shall be paid and shall be calculated in accordance with the parameters set out in Annex I. However, in the case of unilateral breach of contract, this provision is without prejudice to the application of paragraph 3.2 below.
- 2.7 If a link between the player and his former club cannot be established, or if the training club does not make itself known within two years of the player signing his first professional contract, training compensation is paid to the national football association of the country where the player was trained. This compensation shall be earmarked for youth-football development programmes in the country in question.

### **3. MAINTENANCE OF CONTRACTUAL STABILITY IN FOOTBALL**

Contracts shall have a minimum and maximum duration of respectively one and five years, subject to national law.

It is recognised that contractual stability is of paramount importance in football, from the perspective of clubs, players, and the public. Contractual relations between players and clubs must be governed by a regulatory system which responds to the specific needs of football and which strikes the right balance between the respective interests of players and clubs and preserves the regularity and proper functioning of sporting competition.

#### **3.1. Respect for contracts**

- a. In the case of all contracts signed up to the 28<sup>th</sup> birthday of the player: if there is unilateral breach without just cause or sporting just cause during the first 3 years, sports sanctions will be applied and compensation shall be payable.

In the case of contracts signed after the 28<sup>th</sup> birthday, the same principles shall apply but only during the first 2 years.

With regard to contracts as defined in the preceding two paragraphs, unilateral breach without just cause or sporting just cause is prohibited during the season.

- b. Unilateral breach without just cause or sporting just cause after the first 3 years or 2 years will not result in the application of sanctions, with the exception of possible sports sanctions against a club and/or a players' agent inducing a breach of contract. Compensation shall be payable.



A breach of contract as defined in the preceding paragraph is prohibited during the season.

Disciplinary measures may be applied if appropriate notice is not given.

## **3.2. Compensation**

Unless provided for in the contract, and without prejudice to paragraph 6, compensation for breach of contract (whether by the player or the club) shall be calculated with due respect to applicable national law, the specificity of sport, and all objective criteria which may be relevant to the case, such as:

- (1) Remuneration and other benefits under the existing contract and/or the new contract,
- (2) Length of time remaining on the existing contract (up to a maximum of 5 years),
- (3) Amount of any fee or expense paid by or incurred by the old club, amortised over the length of the contract.
- (4) Whether the breach occurs during the “protected period”, as defined in 3.1.a., or in the period described in 3.1.b.

## **3.3. Sports sanctions**

Other than in exceptional circumstances (such as recurring breach by a club or a player), sports sanctions for unilateral breach of contract without just cause or sporting just cause shall:

In the case of the player:

- If the breach occurs at the end of the first or the second year of contract:

Be a restriction on his eligibility to participate in any official football matches, except for the club to which he was contracted, for an effective period of 4 (four) months as from the beginning of the national championship of the new club.

There will be no sanction for unilateral breach at the end of the third year of contract, except if no notice is given in due time after the last match of the season. In such a case the sanction must be proportionate.

In the case of aggravating circumstances, such as failure to give notice or recurrent breach, sports sanctions may go up to, but not exceed, an effective period of 6 months.



## In the case of the club breaching a contract or inducing such breach:

Be a prohibition on registering any new player, either domestically or internationally, until the expiry of the second transfer window following the date on which the breach became effective. In all cases no restriction for unilateral breach of contract shall exceed a period of 12 months following the breach or inducement of the breach.

A club seeking to register a player who has unilaterally breached a contract during the “protected period” as defined in 3.1.a. will be presumed to have induced a breach of contract.

Without prejudice to the foregoing general rules, other sanctions of a sporting nature may be imposed on clubs where appropriate and may include, but shall not be limited to, the following:

- fines,
- deduction of points,
- exclusion from competition.

## In the case of a players' agent involved in such breach

Sanctions can also be imposed on players' agents being involved in a breach of contract in accordance with FIFA' s players' agents regulations.

Sports sanctions shall be imposed by FIFA' s Player Status Committee, with a right of appeal to the Football Arbitration Tribunal, referred to under section 6 hereunder.

### **3.4. Sporting just cause**

In addition to termination for just cause, it will also be possible for a player to terminate his contract for a valid sporting reason (“sporting just cause”).

Sporting just cause will be established on a case by case basis. Each case will be evaluated on its individual merits taking account of all relevant circumstances (injury, suspension, field position of player, age of player, etc.). Furthermore, it is understood that the existence of sporting just cause shall be examined at the end of the football season and before the expiry of the relevant transfer window.

The arbitration system shall determine whether compensation is payable and the amount of any such compensation when a contract is terminated for sporting just cause.



## **3.5. Amicable resolution**

Any amicable resolution of a contract shall be notified to the national association responsible for the issuance of the international transfer certificate.

## **4. SOLIDARITY MECHANISM**

If a player moves during the course of a contract, after reaching the age of 23 or after his second transfer (whichever comes first)], a proportion (5%) of any compensation paid to the previous club will be distributed to the club(s) involved in the training and education of the player. This distribution will be made in proportion to the number of years the player has been registered with the relevant clubs between the age of 12 and 23.

## **5. TRANSFER WINDOWS**

In order to protect the regularity and proper functioning of sporting competition two unified transfer windows per season will apply, with a limit of one transfer per player per season. The mid season transfer window shall be limited to transfers for strictly sport related reasons, such as technical adjustments of teams or replacement of injured players, or exceptional circumstances.

## **6. DISPUTE RESOLUTION, DISCIPLINARY AND ARBITRATION SYSTEM**

Without prejudice to the right of any player or club to seek redress before a civil court, a dispute resolution and arbitration system shall be established, which shall consist of the following elements:

- Conciliation facilities offered by FIFA, through which a low cost, speedy, confidential and informal resolution of any dispute will be explored with the parties by an independent mediator. If no such solution is found within one month, either party can bring the case before FIFA's Dispute Resolution Chamber.
- Dispute Resolution Chamber, with members chosen in equal numbers by players and clubs and with an independent chairman, instituted within FIFA's Player Status Committee, establishing breach of contract, applying sport sanctions and disciplinary measures as a deterrent to unethical behaviour (e.g. to sanction a club which has procured a breach of contract), determining financial compensation, etc. In addition, the Dispute Resolution Chamber can review disputes concerning training compensation fees and shall have discretion to adjust the training fee if it is clearly disproportionate in the individual circumstances. Rulings of the Chamber can be appealed by either party to the Football Arbitration Tribunal.



- Football Arbitration Tribunal, with members chosen in equal numbers by players and clubs and with an independent chairman, according to the principles of the New York Convention of 1958.

For the avoidance of doubt, the Dispute Resolution and Arbitration System will take account of all relevant arrangements, laws and/or collective bargaining agreements, which exist at national level, as well as the specificity of sport as recognized recently, for instance, in the relevant Declaration appended to Presidency conclusions of the European Council at Nice in December 2000.

## **7. ENTRY INTO FORCE**

The principles set out above shall enter into full force and effect only for contracts concluded after the date of formal adoption of these principles by the appropriate authority.

## **8. REVIEW**

In the third season following the adoption of these principles FIFA will, as part of a more general review of these principles, analyse in particular the application of training compensation during the first two seasons, and review its findings with the various members of the football family.



## **ANNEX I to Principles for the amendment of FIFA rules regarding international transfers.**

### **Training compensation for young players**

#### **A. Principles**

1. The training period of a player for which the new club has to pay compensation should start at the age of 12 and end when the player reaches the age of 23 (in order to ensure uniform treatment, for the purposes of calculating compensation, the training period starts at the beginning of the season of his 12<sup>th</sup> birthday or the later age as the case may be and finishes at the end of the season of his 23<sup>rd</sup> birthday).
2. Compensation for training is due:
  - 2.1 For the transfer of players (up to the age of 23) who are not under contract or who are at the end of their (training or professional) contract (in the case of the transfer of players (up to the age of 23) who are still under contract, in addition to the compensation for training, the rules regulating contractual stability shall also apply).
  - 2.2 For the first time, when the player acquires non-amateur status (FIFA Regulations), i.e. when he signs his first (professional or training) contract.
  - 2.3 Afterwards, for every transfer up to the age of 23, however according to the status of the player, i.e.:
    - from amateur to professional (non-amateur) status
    - from professional (non-amateur) status to professional (non-amateur) status
3. Compensation for training is not due:
  - 3.1 For transfers from amateur status to amateur status.
  - 3.2 For transfers from professional status to amateur status (reacquisition of amateur status).
  - 3.3 If a club unilaterally terminates a player's contract without just cause.
4. Payment of the compensation for training:

As a general rule, the amount to be paid shall reflect the costs which were necessary to train the player and should be paid for the benefit of all clubs which have contributed to the training of the player in question, starting from the age of 12.

  - 4.1 First payment (as mentioned in 2.2): The amount to be paid is for the benefit of all clubs which have contributed to the training of the player in question, starting from the age of 12. The money would be distributed on a pro rata basis according to full years of proper and proven training.
  - 4.2 In cases of subsequent transfers (as mentioned in 2.3) from clubs belonging to the third or fourth categories (as defined hereinafter in paragraph B 1 c and d) the new club has to pay and/or reimburse to the old club the "training costs" incurred or paid by the old club.



In the case of a player moving from a club belonging to the third or fourth categories to a club in a higher category, a cascade principle will apply as defined in paragraph 6 below.

For the avoidance of doubt, in the case of a player moving from a club in category first or second, the amount of training compensation payable shall be the training cost of the previous club.

## B. Calculation

1. Since it is impossible to calculate the effective training costs for every single player, flat training rates should be set and the clubs should be categorised in accordance with their financial investments in the training of players.

Establishment of 4 categories :

- a) Category 1 (top level, e.g. high quality training centre):
    - all clubs of first division of National Associations investing as an average a similar amount in the training of players. These National Associations will be defined based on effective training costs and this categorisation can be revised on a yearly basis.
  - b) Category 2 (still professional, but on a lower level):
    - all clubs of second division of the National Associations of category 1
    - all clubs of first division of all other countries having professional football
  - c) Category 3:
    - all clubs of third division the National Associations of category 1
    - all clubs of second division of all other countries having professional football
  - d) Category 4:
    - all clubs of fourth and lower divisions of the National Associations of category 1
    - all clubs of third and lower divisions of all other countries having professional football
    - all clubs of countries having only amateur football
2. Establishment of the amount which is necessary to “train” one player in each of these categories for one year (i.e. costs for the training of one player multiplied by an average “player factor”)
    - a) Category 1: [to be defined]
    - b) Category 2: [to be defined]
    - c) Category 3: [to be defined]
    - d) Category 4: [to be defined]





The “player factor” is the ratio between the number of trainees and the number of professional players. FIFA/UEFA will establish and quantify the factors such as categorisation and the player factor, taking into account relevant data and expertise.

For the avoidance of doubt, the salaries paid to any player (no matter what his age is) who has ever played in the first team may not be included for the purposes of calculating training costs.

3. The calculation in case of first contract and/or transfers of young players would be :  
The amount fixed under point 2 corresponding to the category of the training club for which the player was registered multiplied by the number of years of training from 12 to 21. For the avoidance of doubt, this amount shall be paid until the season during which the player becomes 23.  
In order to ensure that training compensation for very young players is not set at unreasonably high level, this compensation will always be category 4 for the 12 to 15 years old.
4. General principle: Compensation for training is based on the costs of the category of the new club.  
However, within the EU/EEA area: Compensation for training is based on the costs of the training club. The following rules apply:
  - a) player is transferred from a lower to a higher category: calculation is the average of the training costs for the two categories
  - b) player is transferred from a higher to a lower category: calculation based on training costs of lower category club
  - c) player is transferred from a club in category 1,2 or 3 to a club in category 4: no compensation for training is payable
5. Ceiling: There shall be a ceiling to be defined objectively to ensure that training compensation fees levied by the training clubs are not disproportionate. FIFA in consultation with UEFA will regularly establish and quantify the ceiling for the EU/EEA area.
6. Cascade
  - a) In any transfer of a player from a club in the third or fourth categories to a club in a higher category, 75% of the amount exceeding the costs of the category of the “old” club, shall be redistributed on a pro-rata basis to all the clubs having trained the player from the age of 12 onwards.
  - b) In any transfer between two clubs of the same category, 10% of the amount calculated as described under point 3 shall be redistributed on a pro-rata basis to all the clubs having trained the player from the age of 12 onwards.

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7. Further, in the EU/EEA, if the training club does not offer the player a contract this should be taken into account in determining the training fee payable by the new club.