TO THE MEMBER ASSOCIATIONS OF FIFA

Circular no. 1625

Zurich, 26 April 2018
SG/mku

Amendments to the Regulations on the Status and Transfer of Players

Dear Sir or Madam,

We are pleased to inform you of some important amendments to the Regulations on the Status and Transfer of Players (hereinafter: “the Regulations”), which were approved by the FIFA Council at its meeting in Bogotá, Colombia, on 16 March 2018.

All of the relevant changes and additions will come into force on 1 June 2018.

You will find the provisions concerned enclosed with this circular letter for your and your clubs’ perusal. The relevant parts have been emphasised for ease of reference. Furthermore, the revised edition of the Regulations will soon be available on FIFA.com.

As you will note from the enclosed provisions, the amendments in question mainly concern the relationship between professional players and clubs and one of the central pillars of the Regulations, the maintenance of contractual stability between the aforementioned parties. Furthermore, one addition aims to further strengthen the efficiency of the existing dispute resolution system.

In particular, art. 14 of the Regulations has been amended to include a new paragraph concerning abusive situations where the stance of a party (either a player or a club) is intended to force the counterparty to terminate or change the terms of the contract.

In addition, a new art. 14bis of the Regulations has been introduced in order to address the specific circumstance of terminating a contract due to overdue salaries. Equally, art. 18 now also contains a provision prohibiting so-called contractual “grace periods” for the payment of due payables towards players, unless explicitly allowed under a collective bargaining agreement, with the said prohibition not affecting those contracts which were concluded prior to the entry into force of the provision in question.

An important change to art. 17 of the Regulations has been made with regard to the calculation of compensation for breach of contract without just cause. Art. 17 par. 1 of the Regulations now further specifies the method of calculation of the compensation due to a player, with a distinction being made between players having remained unemployed following the breach of the contract without just cause and those having found new employment.
Finally, and with the aim of ensuring that monetary decisions are respected, a new art. 24bis of the Regulations has been introduced. This provision grants FIFA's decision-making bodies, i.e. the Players' Status Committee, the Dispute Resolution Chamber, the single judge or the DRC judge, as the case may be, powers to impose sanctions on players and clubs should a monetary decision not be complied with. Such possible sanctions will be part of the decision as to the substance of the dispute and consist of, for clubs, a ban from registering any new players, either nationally or internationally, and for players, a restriction on playing in official matches.

*****

Please do not hesitate to contact us should you have any questions in this regard.

We thank you for your kind attention to the above and for ensuring that your affiliated clubs are informed accordingly.

Yours faithfully,

FÉDÉRATION INTERNATIONALE
DE FOOTBALL ASSOCIATION

Fatma Samoura
Secretary General

Encl. as mentioned

cc:  - FIFA Council
     - Confederations
     - Players' Status Committee
     - Dispute Resolution Chamber
     - ECA
     - FIFPro
     - WLF
Amendment to art. 14 of the Regulations on the Status and Transfer of Players

New text (amendments in bold)

Art. 14 Terminating a contract with just cause

1. unchanged

2. Any abusive conduct of a party aiming at forcing the counterparty to terminate or change the terms of the contract shall entitle the counterparty (a player or a club) to terminate the contract with just cause.

New art. 14bis of the Regulations on the Status and Transfer of Players

New text (amendments in bold)

Art. 14bis Terminating a contract with just cause for outstanding salaries

1. In the case of a club unlawfully failing to pay a player at least two monthly salaries on their due dates, the player will be deemed to have a just cause to terminate his contract, provided that he has put the debtor club in default in writing and has granted a deadline of at least 15 days for the debtor club to fully comply with its financial obligation(s). Alternative provisions in contracts existing at the time of this provision coming into force may be considered.

2. For any salaries of a player which are not due on a monthly basis, the pro-rata value corresponding to two months shall be considered. Delayed payment of an amount which is equal to at least two months shall also be deemed a just cause for the player to terminate his contract, subject to him complying with the notice of termination as per paragraph 1 above.

3. Collective bargaining agreements validly negotiated by employers’ and employees’ representatives at domestic level in accordance with national law may deviate from the principles stipulated in paragraphs 1 and 2 above. The terms of such an agreement shall prevail.

Amendment to art. 17 of the Regulations on the Status and Transfer of Players

New text (amendments in bold)

Art. 17 Consequences of terminating a contract without just cause

1. In all cases, the party in breach shall pay compensation. Subject to the provisions of article 20 and Annexe 4 in relation to training compensation, and unless otherwise provided for in the contract, compensation for the breach shall be calculated with due consideration for the law of the country concerned, the specificity of sport, and any other objective criteria. These criteria shall include, in particular, the remuneration and other benefits due to the player under the
existing contract and/or the new contract, the time remaining on the existing contract up to a maximum of five years, the fees and expenses paid or incurred by the former club (amortised over the term of the contract) and whether the contractual breach falls within a protected period.

Bearing in mind the aforementioned principles, compensation due to a player shall be calculated as follows:

i. in case the player did not sign any new contract following the termination of his previous contract, as a general rule, the compensation shall be equal to the residual value of the contract that was prematurely terminated;

ii. in case the player signed a new contract by the time of the decision, the value of the new contract for the period corresponding to the time remaining on the prematurely terminated contract shall be deducted from the residual value of the contract that was terminated early (the “Mitigated Compensation”). Furthermore, and subject to the early termination of the contract being due to overdue payables, in addition to the Mitigated Compensation, the player shall be entitled to an amount corresponding to three monthly salaries (the “Additional Compensation”). In case of egregious circumstances, the Additional Compensation may be increased up to a maximum of six monthly salaries. The overall compensation may never exceed the rest value of the prematurely terminated contract.

iii. Collective bargaining agreements validly negotiated by employers’ and employees’ representatives at domestic level in accordance with national law may deviate from the principles stipulated in the points i. and ii. above. The terms of such an agreement shall prevail.

2. to 5. unchanged

Amendment to art. 18 of the Regulations on the Status and Transfer of Players

New text (amendments in bold)

Art. 18 Special provisions relating to contracts between professionals and clubs

1. to 5. unchanged

6. Contractual clauses granting the club additional time to pay to the professional amounts that have fallen due under the terms of the contract (so-called “grace periods”) shall not be recognised. Grace periods contained in collective bargaining agreements validly negotiated by employers’ and employees’ representatives at domestic level in accordance with national law shall, however, be legally binding and recognised. Contracts existing at the time of this provision coming into force shall not be affected by this prohibition.
New article 24bis of the Regulations on the Status and Transfer of Players

New text (amendments in **bold**)

Art. 24bis Execution of monetary decisions

1. When instructing a party (a club or a player) to pay another party (a club or a player) a sum of money (outstanding amounts or compensation), the Players’ Status Committee, the DRC, the Single Judge or the DRC judge (as the case may be) shall also decide on the consequences of the failure to pay the relevant amounts in due time.

2. Such consequences shall be included in the findings of the decision and will be the following:
   Against a club, a ban from registering any new players, either nationally or internationally, up until the due amounts are paid. The overall maximum duration of the registration ban, including possible sporting sanctions, shall be of three entire and consecutive registration periods;
   Against a player, a restriction on playing in official matches up until the due amounts are paid. The overall maximum duration of the restriction, including possible sporting sanctions, shall be of six months on playing in official matches.

3. The ban or the restriction will be lifted prior to its complete serving, once the due amounts are paid.

4. The ban or the restriction shall be applicable if the due amounts are not paid within a period of 45 days as of the creditor having provided the debtor with the required bank details for the payment while the relevant decision having become final and binding.