

REPORT

From: Geoff Thompson (Chairman DRC, member Players' Status Committee and member Club Football Committee)

To: 65th FIFA Congress in Zurich

Re: 11.1 Update on third-party ownership (TPO)

Dear President,
Dear members of the FIFA Executive Committee,
Dear delegates of the FIFA member associations,

On the occasion of the 64th FIFA Congress, the creation of a dedicated working group under the Players' Status Committee ("PSC") was announced with the aim of analysing all possible regulatory options in relation to the third-party ownership of players' economic rights ("TPO"). The working group's task was to submit the respective regulatory proposal to the Players' Status Committee and finally to the Executive Committee in May 2015 so that the 65th FIFA Congress receives the respective update. It was my pleasure and privilege to chair this working group.

In this respect, the first meeting of the relevant working group was held on 2 September 2014, and attended by representatives of the football community at confederation, member association, league and club level as well as by representatives of FIFPro.

Representatives from Brazil, England and Portugal explained the applicable approaches regarding investment in players' economic rights both at the level of sporting regulations as well as national laws, which was followed by an exchange of views on possible options that ranged from transparency measures, to establishing specific requirements and limitations in terms of quality and quantity, to a prohibition of TPO. There was consensus within the group that the current approach focusing on third-party *influence* needed to be reconsidered and that the international transfer matching system provided by FIFA TMS GmbH would be of assistance in the implementation of the option ultimately chosen. The policy goal of a ban of TPO with a transition period received the broadest acceptance among the participants of the first meeting.

As part of its mandate and roadmap, the working group reported to the Players' Status Committee which in turn reported to the FIFA Executive Committee in September 2014.

After having heard the respective report from the Players' Status Committee, the FIFA Executive Committee took the decision of general principle on the regulatory approach of a ban on TPO with a transitional period. The working group was instructed to draft the pertinent technical regulations as per its mandate and discussed the prerequisites for the implementation of a ban on TPO on the occasion of its second meeting held on 30 October 2014.

Meanwhile, various draft articles for TPO as well as third-party influence on clubs to be included in the Regulations on the Status and Transfer of Players were considered and discussed in detail by the bureau of the PSC in its meeting on 19 November 2014 in line with the decision of general principle of the FIFA Executive Committee on the regulatory approach of a ban on TPO with a transitional period.

At its meeting on 18/19 December 2014, the FIFA Executive Committee unanimously approved the proposed draft supported and welcomed by all six Confederations, and hence reacted even faster than the initially envisaged timetable with a decision of the FIFA Executive Committee in May 2015. You all were informed about the concrete measures with Circular No. 1464 dated 22 December 2014.

The pertinent *ban* came into force on 1 May 2015. Already existing agreements may continue to be in place until their contractual expiration, and new agreements signed between the coming into force of the new article and the entry into force of the ban were subject to a limitation in time of one year. The new article came into force on 1 January 2015.

With this outcome, I am proud to state that we all worked together to address this critical topic for football in an efficient and inclusive way. Obviously, our energy now has to focus on the proper implementation and enforcement.

I thank you for your kind attention.
