

FA Third Party Ownership Regulations

Third Party Investment in Players Regulations	
PREAMBLE	
<p>These Regulations are made in accordance with Rule C.1.(b).(iii) of The Association and are binding on all Participants.</p> <p>Any breach of these Regulations shall be Misconduct and shall be dealt with in accordance with the Rules of The Association and shall be determined by a Regulatory Commission of The Association. All other decisions by The Association pursuant to these Regulations shall be made by or under the authority of the Football Regulatory Authority and shall be made at its absolute discretion.</p> <p>In dealing with any issue under these Regulations, regard shall be given to the substance of any dealings or arrangements and not just their legal form.</p> <p>Definitions are set out in the Rule A of The Association and Section D of these Regulations.</p> <p>These Regulations come into effect on [4 July 2009].</p>	
A	GENERAL
<u>CLUB OBLIGATIONS</u>	
1.	No Club may enter into an agreement with a Third Party whereby that Club makes or receives a payment to or from, assigns any rights to or incurs any liability in relation to, that Third Party as a result of, or in connection with, the proposed or actual registration (whether permanent or temporary), transfer of registration or employment by it of a Player, unless: <ul style="list-style-type: none">i. it is permitted under Regulation B below; orii. The Association has approved the arrangement in accordance with Regulation A.2 below.
2.	Before registering a Player for a Club, The Association must be satisfied that there exist no agreements between the Club or the Player and a Third Party under which a Third Party will own or continue to own any registration or economic rights or the like in the Player following registration.

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Consequently, unless otherwise permitted in accordance with the requirements of Regulation B below, a Club must submit to The Association any written contract and the details in writing of any oral contract or agreement that it proposes to enter into which involves a Third Party:

- a. selling, granting, acquiring or otherwise transacting any rights whatsoever in relation to the registration of the Player, the transfer of registration of the Player or the employment of the Player; and/or
- b. making or receiving any payment whatsoever, either directly or indirectly, in relation to the registration of the Player, the transfer of registration of the Player or the employment of the Player.

In deciding whether to approve such matters, The Association shall have regard to the requirements of its Rules and Regulations (including without limitation these Regulations and the Rules on Dual Interests) as well as the Rules of FIFA and of any relevant Competition.

3. No Player may enter into an agreement with a Third Party whereby that Player makes or receives a payment to or from, assigns any rights to, or incurs any liability in relation to, that Third Party as a result of, or in connection with the proposed or actual registration (whether permanent or temporary), transfer of registration or employment of that Player, save for payment to an "Authorised Agent" or "Exempt Solicitor" for "Agency Activity" pursuant to a "Representation Contract", in each case as those terms are defined in The Association's Football Agents' Regulations, and provided that such payment is made in accordance with those Regulations.

B PAYMENTS AND DEAL STRUCTURES

Permitted payments

- 1 Unless otherwise agreed in advance by The Association, a Club may only make or receive a payment or incur any liability as a result of, or in connection with, the proposed or actual registration (whether permanent or temporary), transfer of registration, employment or continued employment by it of a Player in the following circumstances:
 - i) by payment to a Former Club or receipt from a Registering Club of a Transfer Fee, Contingent Sum, Loan Fee or Sell-on Fee;
 - ii) by payment of any registration levy;
 - iii) by receipt of all or part of a Compensation Fee, Contingent Sum, Loan Fee or Sell-on Fee, in default of payment of it by the Registering Club

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from which it is due, from:

- a Financial Institution or other guarantor; or
 - a Competition in accordance with the provisions of the Rules of the Competition in force at the time; or
 - The Association in accordance with the provisions of its Rules in force at the time;
- iv) by way of remuneration (including benefits in cash or kind) and/or any other payments whatsoever due to or for the benefit of a Player whose registration it holds;
- v) by way of an allowance permitted by a League's Rules, to a Player with whom it has entered into a Scholarship or other sanctioned youth development arrangement;
- vi) payment to an "Authorised Agent" or "Exempt Solicitor" for "Agency Activity", in each case as those terms are defined in The Association's Football Agents' Regulations, and provided that such payment is made in accordance with those Regulations;
- vii) by payment of Incidental Expenses arising in respect thereof;
- viii) by payment or receipt of training compensation or solidarity payment pursuant to the FIFA Regulations for the Status and Transfer of Players and any other levies or payments payable to or by a Club pursuant to the statutes or regulations of FIFA or any other football governing body from time to time, or otherwise properly due to or from such a governing body; or
- ix) by payment of Value Added Tax payable in respect of any of the above payments or liabilities.

Buying out a Third Party

- 2 A payment by a Club, either in one lump sum or in instalments, to buy out the interest of a Third Party who has an agreement either with an Overseas Club with which an Overseas Player is registered, or with an Overseas Player, granting the Third Party the right to receive money from a new club for which that Player signs, is only permitted in the following circumstances:
- (a) the Club is seeking to register the Player; and
 - (b) all sums payable by the Club to the Third Party will be paid prior to the expiry of the initial contract between the Club and the Player; and
 - (c) all sums payable by the Club to the Third Party are paid via The Association using the relevant designated account as prescribed by The Association from time to time; and

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- (d) the Club does not grant any right, commit to any payment or confer any benefit whatsoever, whether contingent or otherwise, to the Third Party in relation to the future sale of the Player; and
- (e) any proposed contract or agreement is disclosed to The Association in accordance with Regulation A.2 and The Association gives its approval; and
- (f) any such contract is disclosed to The Association in its final form.

Option agreements and other permitted arrangements

- 3 A Club is permitted to enter into an agreement with an Overseas Player whereby it acquires the option to employ that Overseas Player at a future date in consideration for a payment to the Overseas Player. All such agreements must be disclosed in advance to The Association in accordance with Regulation A.2. Clubs are reminded of their obligations to the player's current club under the Rules and Regulations of The Association, relevant League Rules and under the FIFA Regulations for the Status and Transfer of Players in relation to approaches to players.
- 4 A Club is permitted to enter into an agreement with Overseas Club whereby it acquires the option to acquire a Player or Overseas Player at a future date. All such agreements must be disclosed in advance to The Association in accordance with Regulation A.2.
- 5 Subject to any requirements of the Rules of the relevant League or Competition, a Club is permitted to enter into:
- (a) agreements to effect a loan of a Player to another Club or Overseas Club conditional upon the registration of such a Player with the Club; and
 - (b) agreements granting a right of first refusal or matching right to another Club or Overseas Club (on such financial terms as the two Clubs agree between them) in the event that the Club subsequently wishes to transfer the registration of the player.

Other financial arrangements

- 6 A Club is permitted to enter into commercial borrowing arrangements on usual commercial terms (including the giving of security by way of fixed and/or floating charge) with Financial Institutions.

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7 A Club is permitted to enter into borrowing arrangements with Financial Institutions secured on future instalments of a Fee due from another Club in respect of a player whose registration the Club has transferred.

8 A Club is not permitted to enter into borrowing or any other form of financing or investment that is secured against, or has a return directly linked to, the value or future value of any Player or Players employed by a Club, unless The Association has approved the arrangement in accordance with Regulation A.2 above .

Any Other arrangements

9 Any other arrangement that does not fall to be dealt with under the categories set out in Regulations B1-B8 above, will be considered for approval at The Association's discretion. In deciding on such matters, The Association will apply principles consistent with the requirements of its Rules, including without limitation these Regulations and Rule C.1.(b).(iii).

C DEFINITIONS

'Overseas Club' means any football club that plays the game of football in any country other than England in a competition sanctioned and recognised by the relevant National Association (with the exception of Clubs outside England that play in competitions sanctioned by The Association)

'Overseas Player' means any football player who plays the game of football in any country other than England and is recognised as such by their National Association

'Third Party' means a person or entity that is not a Club or an Overseas Club

'Financial Institution' means any person or entity that is: authorised by the Financial Services Authority ('FSA') to carry on a regulated activity under the Financial Services and Markets Act 2000 ('FSMA'); or carrying out a regulated activity as an appointed representative of a person or entity authorised by the FSA to carry on a regulated activity under the FSMA; or recognised by the FSA as being authorised to carry out a regulated activity

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in the UK through its regulation by a regulator in another European Economic Area ('EEA') country; or registered by the FSA as an exempt professional firm

'Former Club' means a Club that is transferring, or has transferred, the registration of a Player to a Registering Club

'Registering Club' means a Club that is acquiring, or has acquired, the registration of a Player from a Former Club

'Transfer Fee' means any payment or fee or other valuable consideration agreed and/or payable as compensation in exchange for the transfer of registration of a Player on a permanent basis

'Contingent Sum' means any payment or fee or other valuable consideration agreed as part of a Transfer fee or Loan Fee that is contingent on the happening of a future event (eg. player appearances)

'Loan Fee' means any payment or fee or other valuable consideration agreed as compensation in exchange for the transfer of registration of a Player on a temporary basis

'Sell-on Fee' means any payment or fee or other valuable consideration agreed and/or payable as part of the transfer of the registration of a Player that entitles a Former Club to a financial interest in a future Transfer Fee related to the Player

'Fee' means any of Transfer Fees, Contingent Sums, Loan Fees and Sell-on Fees.

'Incidental Expenses' - Expenses incurred by a Club in connection with signing a Player, including, but not limited to, the costs of pre-signing medical examinations, travel expenses, visa and work permit fees and fees for legal services (other than Agency Activity as defined in the Football Association Football Agents' Regulations) and the payment of insurance premiums on policies for the Club's benefit