

20 - THIRD PARTY INTEREST IN PLAYERS REGULATIONS

PREAMBLE

These Regulations are made in accordance with the Rules of The Association and are binding on all Participants. These Regulations are founded on the principle that no party, other than a Club itself, should be placed in a position where it may be able to influence the manner in which a Club operates, its policies or the performance of its teams. The Association considers that a party holding an interest in the registration, federative, economic or similar rights of a Player may, as a consequence of that interest, have such ability. The purpose of these Regulations is to ensure that no such 'third party' interests are held in Players playing for Clubs.

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 delegated authority of the Football Regulatory Authority and shall be made at its absolute discretion.

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.

Definitions are set out in: (i) Rule A; (ii) Section E of these Regulations; and (iii) Appendix I of The Association's Regulations on Working with Intermediaries or Football Agent Regulations (as applicable).

A. PROHIBITION ON THIRD PARTY INTEREST

Club Obligations

1. No Club may enter into an Agreement which enables any party, other than the Club itself, to influence materially the Club's policies or the performance of its teams or Players in Matches and/or Competitions.
2. No Club may enter into an Agreement with a party whereby that Club:
 - makes or receives a payment, whether directly or indirectly, or
 - assigns, novates, sells, grants, acquires or otherwise transacts in any rights or obligations whatsoever, or
 - incurs any liability
 - to, or from that party as a result of, in connection with, or in relation to
 - the proposed or actual registration (whether permanent or temporary), or
 - the transfer of registration, or
 - the employment or continued employment
 - by the Club of a player, save where:
 - 2.1 the Agreement is permitted pursuant to Regulation B ("Permitted Club Agreements"); or
 - 2.2 The Association has provided its formal written approval of the Agreement in advance pursuant to Regulation D ("Club or Player Agreements Requiring Prior Written Approval").

Player Obligations

3. No Player may enter into or be party to an Agreement with another party whereby that Player
 - makes or receives a payment, whether directly or indirectly, or
 - assigns, novates, sells, grants, acquires or otherwise transacts in any rights or obligations whatsoever, or
 - incurs any liability

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to, or from that party as a result of, in connection with, or in relation to

- the proposed or actual registration (whether permanent or temporary), or
- the transfer of registration, or
- the employment or continued employment

of that Player, save where:

- 3.1 the Agreement is permitted pursuant to Regulation C (“Permitted Player Agreements”); or
- 3.2 The Association has provided its formal written approval of the Agreement in advance pursuant to Regulation D (“Club or Player Agreements Requiring Prior Written Approval”).

B. PERMITTED CLUB AGREEMENTS

1. Subject always to the Rules and Regulations of The Association, FIFA and any relevant Competition, and unless formally approved in advance by The Association pursuant to Regulation D, a Club may only enter into an Agreement otherwise prohibited pursuant to Regulation A.2 above where it:

Agreements arising from the permanent or temporary transfer of registration of a player

- 1.1 In the case of a Registering Club, agrees to acquire the registration of a player in consideration for payment to a Transferring Club (or, if so required under the rules and/or regulations of an overseas league or association, directly to said overseas league or association) of a Fee, subject to the requirements of the Player Status Rules and,
 - 1.1.1 in the circumstances of a permanent transfer of registration, such that any existing interest of any party in the registration, federative or economic rights or rights of any other nature whatsoever of the player is extinguished absolutely save for the Transferring Club's entitlement to receive a Sell-On Fee or Contingent Sum; or
 - 1.1.2 in the circumstances of a temporary transfer of registration, such that any existing interest of any party other than the Transferring Club in the registration, federative or economic rights or rights of any other nature whatsoever of the player is extinguished absolutely;
- 1.2 in the case of a Transferring Club, agrees to transfer the registration of a player in consideration for receipt from a Registering Club of a Fee, subject to the requirements of the Player Status Rules and, in the circumstances of a permanent transfer of registration, such that any existing interest of the Transferring Club in the registration, federative or economic rights or rights of any other nature whatsoever of the player is extinguished absolutely save for the Transferring Club's entitlement to receive a Sell-On Fee or Contingent Sum;
- 1.3 agrees to remunerate and/or make any other payments whatsoever to or for the benefit of a Player whose registration it holds or who it employs subject to the requirements of the Player Status Rules;
- 1.4 enters into a Representation Contract with an Intermediary in accordance with The Association's Regulations on Working with Intermediaries or a Representation Agreement with an FA Registered Football Agent in accordance with Football Agent Regulations (as applicable);
- 1.5 agrees to pay Incidental Expenses;
- 1.6 agrees or is required to pay or receive a Training Compensation Payment or a Solidarity Payment and/or any other levies or payments payable to or by a Recognised Club pursuant to the statutes or regulations of FIFA or any other football governing body or Competition from time to time, or otherwise properly due to or from such governing body or Competition;

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Financing Agreements secured against Fees or other receivables

- 1.7 In the case of a Transferring Club or Former Club, agrees to receive a Fee, Training Compensation Payment or a Solidarity Payment from:
 - 1.7.1 a Financial Institution,
 - 1.7.2 a Competition in accordance with the provisions of the Rules of the Competition in force at the time; or
 - 1.7.3 The Association in accordance with the provisions of its Rules in force at the time in default of payment of the same by the Recognised Club from which it is due.
- 1.8 in the case of a Transferring Club, agrees to assign its entitlement to a Fee to a Financial Institution, a Group Undertaking or a Permitted Individual;
- 1.9 in the case of a Registering Club agrees to pay a Financial Institution to which the Transferring Club has assigned its entitlement to a Fee;
- 1.10 in the case of a Registering Club, agrees to pay a party to which an Overseas Transferring Club has assigned its entitlement to a Fee, save where that party holds or has held an interest in the registration, federative or economic rights or rights of any other nature whatsoever of the player to which the Fee relates;
- 1.11 in the case of a Transferring Club, enters into borrowing arrangements with a Financial Institution secured on future instalments of a Fee due from a Registering Club in respect of a player whose registration the Transferring Club has already transferred;
- 1.12 in the case of a Transferring Club or Former Club, agrees or is required to assign its entitlement to a Fee, Training Compensation Payment or a Solidarity Payment to HMRC or another UK statutory agency;

Other arrangements

- 1.13 agrees with a player to acquire a right (whether optional, contingent or otherwise) to employ that player at a future date;
 - 1.14 agrees with a Recognised Club to acquire a right (whether optional, contingent or otherwise) to acquire a player at a future date;
 - 1.15 is required to pay Value Added Tax (or any equivalent tax) pursuant to any Agreement or payment permitted by this Regulation B or approved pursuant to Regulation D.
2. In respect of those Agreements permitted under Regulation B.1.7 through B.1.14, a Club must lodge the completed Agreement together with all supporting documentation with The Association within 5 working days of its completion or at the time of submission of the corresponding payment to The Association's Clearing House when appropriate, whichever is the earlier. This requirement is additional to any other disclosure requirement pursuant to the Rules and Regulations of The Association, FIFA and any relevant Competition.
 3. In respect of any Agreement permitted under Regulation B.1.13 through B.1.14, the identity of any Intermediary or FA Registered Football Agent (as applicable) or any other person who will be conducting Intermediary Activity or Football Agent Services (as applicable) for the Club and/or player in the registration of that player for that Club must be disclosed to The Association. This includes any individual who may not be registered with The Association as an Intermediary or FA Registered Football Agent (as applicable) at the time that the Agreement is disclosed but who intends to so register by the time of the registration of the player. This requirement is additional to any other disclosure requirement pursuant to the Rules and Regulations of The Association, FIFA and any relevant Competition

C. PERMITTED PLAYER AGREEMENT

1. Subject always to the Rules and Regulations of The Association, FIFA and any relevant Competition, and unless formally approved in advance by The Association pursuant to Regulation D, a Player may only enter into or be party to an Agreement otherwise prohibited pursuant to Regulation A.3 above where that Player:
 - 1.1 enters into a Playing Contract in accordance with the Player Status Rules; or
 - 1.2 enters into a Representation Contract with an Intermediary in accordance with The Association's Regulations on Working with Intermediaries or a Representation Agreement with an FA Registered Football Agent in accordance with The Association's Football Agent Regulations (as applicable); or
 - 1.3 enters into an Image Rights Agreement; or
 - 1.4 enters into a Commercial Agreement; or
 - 1.5 agrees to pay Incidental Expenses.

D. CLUB OR PLAYER AGREEMENTS REQUIRING PRIOR WRITTEN APPROVAL

1. Save where permitted pursuant to Regulations B or C, a Club or Player may enter into an Agreement otherwise prohibited pursuant to Regulation A.2 or A.3 respectively only where it has obtained in advance the formal written approval of The Association to do so
2. A Club or Player must disclose any proposed Agreement to The Association for its consideration and approval prior to its completion.
3. The Association shall have the power to require of any Participant the provision of any information, documentation or other material of any nature which The Association considers appropriate for its consideration of any matter under these Regulations.
4. In considering whether approval should be granted, The Association shall have regard to, and shall apply principles consistent with, the purpose and intention of its Rules and Regulations together with the Rules and Regulations of FIFA and of any relevant Competition.

TYPICAL AGREEMENTS REQUIRING PRIOR WRITTEN APPROVAL

Buying out an existing interest in a player

5. An Agreement wherein a Registering Club proposes to acquire the interest of an Overseas Club or any Third Party which has any interest in the registration, federative or economic rights or rights of any other nature whatsoever of a player may be approved only where:
 - 5.1 the Club is seeking to register the player; and
 - 5.2 all sums payable by the Club to a Third Party as a consequence of the Agreement will be paid prior to the expiry of the initial term of the contract of employment between the Club and the player; and
 - 5.3 all sums payable by the Club are paid via The Association using the relevant designated account as prescribed by The Association from time to time; and
 - 5.4 the Club does not grant any right, commit to any payment or confer any benefit whatsoever, whether contingent or otherwise, to any party in relation to the future sale of the player, save only where it agrees to pay a Sell-On Fee or Contingent Sum to the Transferring Club; and
 - 5.5 as a consequence of the Agreement, any existing interest in the registration, federative or economic rights or rights of any other nature whatsoever of the player will be extinguished absolutely; and

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- 5.6 the Club undertakes to commit each and every term of the Agreement to writing and to lodge this Agreement in its final form together with all associated documentation with The Association within 5 working days of its completion.

Other financing Agreements

6. An Agreement wherein a Club proposes to enter into borrowing or another form of financing or investment that is secured against, or has a return directly linked to the value or future value of any Player employed by a Club may be approved subject to such conditions as may be required by The Association from time to time.
7. An Agreement wherein a Transferring Club proposes to assign its entitlement to a Fee to any party other than a Financial Institution, Group Undertaking or Permitted Individual may be approved subject to such conditions as may be required by The Association from time to time.
8. An Agreement wherein a Registering Club proposes to pay a party to which an Overseas Transferring Club has assigned its entitlement to a Fee, in circumstances where that party holds or has held an interest in the registration, federative or economic rights or rights of any other nature whatsoever of the player to which the Fee relates, may be approved subject to such conditions as may be required by The Association from time to time.

Other Agreements

9. Any other proposed Agreement that does not fall within the typical Agreements requiring prior written approval set out at Regulations D.5 through D.8 above, will be considered for approval at The Association's discretion.

E. DEFINITIONS

'Agreement', which shall be interpreted broadly and purposively for the purposes of these Regulations, means any agreement, arrangement, obligation, undertaking or understanding whether oral or written, formal or informal, contractual or otherwise, binding in law or otherwise, and of any nature whatsoever; and which includes for these purposes any attempt to enter into any such Agreement.

'Commercial Agreement' means a sponsorship or marketing agreement wherein a player receives remuneration or payment in consideration for his/her marketing or advertising of or association with a product or undertaking in circumstances which do not grant to any party the ability materially to influence that player's performance in Matches and/or Competitions.

'Contingent Sum' 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 is contingent on the happening of a future event (e.g. player appearances)

'Fee' means any one or more of a Transfer Fee, Contingent Sum, Loan Fee or Sell-on Fee or any part thereof.

'Financial Institution' means any entity which is incorporated in, or formed under the law of any part of the United Kingdom, and which has permission under Part 4 of the Financial Services and Markets Act 2000 to carry on the regulated activity of accepting deposits (within the meaning of section 22 of that Act, taken with Schedule 2 and any order under Section 22) but such definition shall not include:

- a. a building society (within the meaning of section 119 of the Building Societies Act 1986); or
- b. a credit union (within the meaning of section 31 of the Credit Unions Act 1979).

'Former Club' means a Recognised Club that has previously held the registration of a player.

'Group Undertaking' has the meaning set out in section 1161(5) of the Companies Act 2006.

'Image Rights Agreement' means any Agreement whereby a player transfers to any person ('the transferee') the right to exploit his image or reputation either in relation to football or non-footballing activities in circumstances which do not grant to the transferee or any other party the ability materially to influence that player's performance in Matches and/or Competitions.

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'Incidental Expenses' means any legitimate expenses incurred by a Club or player in connection with registering a player, including the costs of pre-registration medical examinations, travel and relocation expenses, visa and work permit fees, fees for legal services (other than Intermediary Activity as defined in The Association's Regulations on Working with Intermediaries or Football Agent Services as defined in The Association's Football Agent Regulations (as applicable)) and the payment of insurance premiums on policies for the Club's benefit and like expenses, subject to all other applicable Rules and Regulations of The Association, FIFA and any relevant Competition.

'Loan 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 temporary basis.

'National Association' means a member association of FIFA.

'Overseas Club' means any Recognised 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 Transferring Club' means an Overseas Club that will transfer or has transferred as a consequence of the Agreement the registration of a player to a Registering Club.

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

'Permitted Individual' means an Official or Officer of the relevant Transferring Club who is, at the time of the proposed assignment, subject to and fully compliant with the requirements of the applicable Owners' and Directors' Test.

'Recognised Club' means any football club that plays the game of football in any country in a competition sanctioned and recognised by the relevant National Association.

For the avoidance of doubt, a Club (as defined under the Rules of The Association) is deemed to be a Recognised Club for the purposes of these Regulations.

'Registering Club' means a Recognised Club that will acquire or has acquired, as a consequence of the Agreement the registration of a player from a Transferring Club.

'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 Transferring Club to a financial interest in a future Transfer Fee related to the player.

'Solidarity Payment' means any payment made pursuant to the requirements of the FIFA Regulations on the Status and Transfer of Players in relation to the Solidarity Mechanism as defined within those regulations or any successor or replacement thereof.

'Third Party' means any natural or legal person, undertaking or entity that is not a Club or an Overseas Club.

'Training Compensation Payment' means any payment made pursuant to the requirements of the FIFA Regulations on the Status and Transfer of Players in relation to Training Compensation as defined within those regulations or any successor or replacement thereof.

'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.

'Transferring Club' means a Recognised Club that will transfer or has transferred as a consequence of the Agreement the registration of a player to a Registering Club.