



EUROPEAN COMMISSION  
DG Employment, Social Affairs and Inclusion

Employment and Social Legislation, Social Dialogue  
Social dialogue, Industrial Relations

## **Sectoral Social Dialogue Committee on Professional Football**

### **Minutes of the Working Group Meeting "Contractual Stability and Respect of Contracts"**

**2 September 2014**

#### **1. Adoption of the agenda and of the minutes of last meeting**

The meeting was chaired by Mr Grafström (UEFA). The agenda was adopted. The minutes of the 6 May 2014 working group meeting were adopted with comments provided by EPFL, ECA and FIFPro.

#### **2. Implementation plan of PFSC Working Group recommendations**

##### **a) Update on FIFA WG on player status and transfer matters**

The meeting started with an update from Mr Grafström (UEFA) on FIFA Working Group (WG) on player status and transfers matters (PSTM). Stakeholders' representatives were told that during its May meeting the FIFA WG PSTM took onboard the PFSC recommendations and held another meeting on 1 September to further discuss the particular issues of the 30-day deadline for overdue payables, short term loans and the implementation of FIFA rules on NDRCs. The latest developments within the PFSC Working Group on transfer matters were also addressed. In that context, UEFA explained the debate over the drafting of an article on overdue payables for the FIFA Regulations on the Status and Transfer of players and the on-going debate on the potential application of sporting sanctions, in particular transfer embargoes. Mr Diallo (EPFL) added that according to his experience as a FIFA DRC judge overdue payables were the main issue put before FIFA's arbitration and dispute resolution body. In that framework he stressed that the most important was to find a common basis revolving around two main ideas: 1) clubs must pay their players' salaries, their contributions to social and tax authorities as well as the transfer-related amounts they owe to other clubs when due, and 2) efficiency should be pursued through strong enforcement notably against repetitive infringers.

##### **b) Regulations on overdue payables in Europe**

Mr Bär-Hoffmann (FIFPro) presented a survey on the effectiveness of national overdue payable mechanisms. The study was ranging countries according to the level of prevalence of overdue payables (low, medium or high). It concluded that prevalence was high in Spain and Eastern Europe notably, while other countries such as Denmark, France, Germany or Italy had virtually no issue. The study also found that strong involvement of stakeholders (notably players' unions) in the schemes as well as credible enforcement mechanisms were key to efficient systems of tackling overdue payables. Mr Abatan (EPFL) questioned the methodology used by FIFPro for its survey notably the level of prevalence in some countries. In that framework, while EPFL acknowledged

there is an acute problem with overdue payables in some countries (as witnessed during AA implementation field visits), effective action could only be taken on the basis of reliable and objective data which will enable to prioritize countries with high level of financial arrears and prevent European stakeholders from running the risk to disrupt well-functioning national schemes. UEFA told social partners that it was necessary to take concrete steps and made some proposals that could set the basis for the establishment of recommendations on preventing, monitoring and sanctioning overdue payables at national level. In that framework, UEFA expressed the view that, as a best practice, regulations on overdue payables should apply to both national and international transfers and that two controls per season should be organised as a minimum. All social partners agreed. EPFL added that additional recommendations could be that any assessment of overdue payables should apply to all professional clubs as opposed to those of the top divisions only and that regular reports should be sent by responsible national bodies to national players' unions after each deadline for controls – i.e. at least twice a season. Parties also agreed on this – even though Mr Stefanovic (FIFPro) pointed out that the second proposal was already in place in most club licensing systems. EPFL also stressed that any recommendation on overdue payables at national level should mainly be directed to countries where no regulations were in place or where they were deemed inefficient. Moreover, FIFPro argued that any recommendation on overdue payables should imply a revamping of the definition of overdue payables as the definitions currently enshrined in most rules (notably licensing regulations) usually lead to some cases escaping sanctions while players' salaries continue not to be paid. FIFPro mentioned it was notably the case when players sign agreements that allow clubs to postpone their payments. In that framework, Mr Øland (FIFPro) considered that delayed payments towards employees should open clubs to sanctions even when those payments were settled at a later stage within the limit provided by domestic rules on overdue payables (e.g. club licensing regulations). EPFL representatives made a point that overdue payables are not always a just cause for a player to terminate his contract and a club could have reasonable grounds not to pay. So it was not making sense to sanction clubs that had settled their debts in good faith for instance. However, FIFPro replied that all scenarios do not involve clubs acting in good faith and those scenarios should also be dealt with. Moreover, FIFPro added that, even in such cases of good faith, a player having to wait up to three months to be able to lodge a complaint for non-payment of his salary - like it is the case in certain European countries – poses an unacceptable problem that needs to be tackled urgently. In this context, FIFPro expressed the opinion that there should be a system of penalties that prevents clubs from being offering a “freebie” and staying in the clear when they solve an actual case of financial arrear after the payment date falls due but before the deadline set forth by licensing rules (or other rules) on overdue payables.

#### c) Timeline and next steps

EPFL, FIFPro and UEFA agreed that EPFL should write down all the recommendations that were expressly agreed during the meeting. This written document should form the basis of a consensus on recommendations for minimum standards on preventing, monitoring and sanctioning overdue payables. The paper will then be circulated among all stakeholders by 12 September for feedback. Further additions will be made afterwards if and as mutually agreed by all stakeholders.

#### **4. Next meeting**

The next European Social Dialogue meeting will be the Steering Group that will be held on 9 October at the ECA headquarters in Nyon. The dates for the next working group meetings will be set at that time.

*Participants 2/9/2014*

<b>Employers (3 ♂, 0 ♀)</b> <u>ECA: 0</u> <u>EPFL 3</u>	<b>Workers (4 ♂, 0 ♀)</b> <u>FIFPro</u>
<b>European Commission (1 ♂, 0 ♀)</b>	<b>UEFA (2 ♂, 0 ♀)</b>