

FIFA Circular Letter 1714 - Regulatory issues in the face of COVID-19

Due to the COVID-19 outbreak, football activity is currently suspended in almost every country or territory in the world. Already on 18 March 2020, FIFA declared COVID-19 to be a case of "force majeure" within the meaning of Article 27 of the FIFA Regulations on the Status and Transfer of Players ("RSTP"). With its Circular Letter 1714,¹ FIFA now has provided guidelines in order to tackle on some of the most pressing legal and regulatory issues in the current situation.

In addition to the brief examination of several legal issues at the end of these guidelines (see pages 10-13), FIFA has mainly focused on dealing with three major topics:

- Agreements terminating at the end of the current season as well as agreements already signed and due to commence at the start of the next season (see pages 3-5)
- Agreements that cannot be performed as the parties originally anticipated as a result of COVID-19; and (see pages 6-7)
- The appropriate timing for registration periods ("transfer windows") (see pages 8-9)

In each case, FIFA has set out principles, which shall provide guidance on how to respond to emerging legal challenges. Regarding the first two of the three major topics, these principles are to be considered as general (non-binding) interpretative guidelines to the RSTP.

According to FIFA, agreements terminating at the end of the current season should be extended until the new end date of the season, the commencement of new agreements should be delayed until the new start date of a new season and payments under transfer agreements that contractually fall due prior to the new (adapted) start date of a new season should be delayed. However, it remains unclear how employment agreements should be dealt with whose maximum term of five years would have ended at the end of the current season and which therefore cannot be extended any further.

FIFA calls on the interested parties (associations, clubs, players and coaches) to work together and try to find amicable solutions to the emerging challenges wherever possible. Such solutions should inter alia address remuneration, government aid programmes and conditions during contract extensions. Unilateral decisions to vary terms and conditions of agreements will only be recognised where they are made in accordance with national law or are permissible within collective agreement mechanisms and, before FIFA's Dispute Resolution Chamber (DRC) or Players' Status Committee (PSC), only if they were made in good faith, are reasonable and proportionate.

The COVID-19 outbreak being an "exceptional circumstance" (Article 5.1 para. 1 Annexe 3 to the RSTP), FIFA will generously accept requests for change or extension of the registration periods fixed by the relevant member associations, colloquially known as "transfer windows", as long as the maximum duration of 16 weeks per season is respected.

For further information, please see the complete version of the guidelines. If you have any questions, please feel free to contact us via info@martens-lawyers.com.

¹ The whole letter and its attachments are available at https://resources.fifa.com/image/upload/1714-covid-19-football-regulatory-issues.pdf?cloudid=x9q8h6zvyq8xjtfzmpy9 (accessed last on April 2020).