

A REGULATION RATHER THAN A COMPLETE BAN

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In our opinion, we do not see any disadvantages in permitting that private entities or any related third party, participate directly or indirectly as economic rights holders related to the football players' future transfers rights.

Quite to the contrary, we believe that it is beneficial as an economic contribution from the private sector and we do not reject the participation by investment funds or other interested parties in the football world. However, we are in favor of the development of an adequate and harmonized legal regulation in order to avoid any harm that those TPO could make to football itself.

Since a while now, football is no longer considered only as a game to become also partially a business, but as a huge business that generate millions. For this reason, responding to the question about the absolute prohibition of TPO in football, we insure categorically that it will be more convenient to carry out a regulation rather than a complete ban. Moreover and bearing in mind these arguments previously referred, is a prohibition the best solution?

As we have seen in the past, in several markets, prohibition can lead to practices aiming to avoid it while a regulation permits that the stakeholders are controlled and perhaps sanctioned if they behave out of the rules.

Therefore, first and foremost, we believe that a prohibition, in any case, must be proportional and justified by legitimate objectives. On this particular point, FIFA could also add a clearer definition of

"influence" thereby avoiding any other wrong interpretation of the term. What is more, any solution must be global and harmonized, in order to avoid discrimination between clubs competing in the same international competitions. Stated briefly, the scope of the regulation should be drafted in a very carefully way, because introducing a total ban could mean jeopardizing or infringing the freedom of trade.

In this regard, we think that among the key points that the regulation should impose could be for example: a restriction in the number of economic right-holders per team, and/or the establishment of an update register of third-holders, or a determined maximum number players under TPO in a club, and a limit on the amount of rights a TPO company could hold in a club. In a similar way, we could invalidate or void the contract clauses or terms which could be defined as unfair and which are mainly based on the abusive third party agreements, which are mostly regarding labor rights of the players.

On the basis of the above, we should really say that TPO could not be able to determine when and to whom the player may be transferred, because it may or may not coincide with the wishes and interests of the club, and thus influence its policies.

Also, it should be considered whether the third party can prevent a transfer of the player against the interests of the club. The truth is that football needs a legal framework of the possible regulation to account for these scenarios.

Furthermore, among the advantages that TPO conferred, we can find a reduction of the financial burden on the clubs by making it easier to balance sheets and lower their debts. Whilst between the

cons appears a risk for the integrity of the competitions; money laundering and tax evasion due to the complexity of tracking third parties; loss of football money due to the outflow of capital; exploitation impact of TPO on clubs' financial returns and an increased risk of litigation.

Notwithstanding the above, the fact is that we have to recognize that third party investments are an undeniable reality and, at present, the majority of clubs, at least in South America, but also some in Europe, could not survive without the help of this financial mechanism. In general, we think that TPO should be allowed under control. A ban would only move the problem to clubs, academies etc. and would be a problem for the football world.

One may legitimately wonder whether FIFA or UEFA are entitled to impose rules on the financing of capital companies by forbidding the commercialization of their assets.

Such a prohibition would certainly catch European authorities' attention •