Football Legal

The international journal dedicated to football law

8 – December 2017

UEFA FFP and the 2017 Summer Transfer Window: Would a Cap have prevented Neymar's move to PSG?

By Juan de Dios Crespo Pérez & Paolo Torchetti
Lawyers, Ruiz-Huerta Crespo Sports Lawyers
Valencia - Spain

➔ ***Financial control – UEFA Regulations – Financial Fair Play (FFP) – Salary cap – Salaries***

The history of financial mismanagement in European club football has been well documented. UEFA began to publish studies it commissioned concerning the financial health of European club football in 2009.[1] The most shocking discovery was that European clubs were spending more than double on transfer fees and players' salaries in a given year than what those clubs held as tangible fixed assets.[2] Please pause for a moment and reflect on what this implies. European football clubs were spending more than double on player acquisition costs than the value of the stadium and training grounds that were owned by clubs. Moreover, top clubs were spending 64% of their gross revenue on player's salaries while player salaries rose by 25% from 2007 to 2009. At that moment 73 European clubs playing in a first division were spending more than 100% of their gross revenues on players' salaries.[3]

Simply the proliferation of salaries and transfer fees at that time could not be sustained. That first benchmarking report of 2009 justified the clear need for the control of player costs. UEFA responded in May 2010 by enacting the Financial Fair Play (FFP) regime through the Club Licensing and Financial Fair Play Regulations (FFP Regulations).

The FFP regime is now facing renewed criticism after the European summer transfer window saw the three largest player acquisitions in the history of football. Obvious we are referring to *Paris Saint-Germain*'s contracts with *Neymar* (buy-out clause – EUR 222,000,000) and *Kylian Mbappé Lottin* (on loan with a permanent move worth EUR 180,000,000) and *FC Barcelona*'s transfer for *Ousmane Dembélé* (EUR 150,000,000 including bonuses).

> ***Although salary caps may not work in European club football, it is possible that UEFA may modify its regulations in the future to impose more stringent controls***

Here the authors will perform a comparative analysis of the method of cost controls in European football *via* the UEFA FFP Regulations and the cost control methods employed in the closed system of the North American sports world. Although the authors will also look to sports other than football, those regimes can provide useful lessons in how to control salaries and other player costs. The North American system is designed to seek perfect competitive balance (CB) whereas the UEFA FFP Regulations do not seek or purport to do so. The authors will look at the case for perfect CB from a theoretical perspective, and point out that this is UEFA's first attempt at controlling costs.

The result is that although salary caps may not work in European club football, it is possible that UEFA may modify its regulations in the future to impose more stringent controls. The answer to whether a salary cap would have prevented the *Neymar* move to *PSG* is that perhaps it would, but in the end a cap system may not be viable in European club football and the accounting based regulations would have to be tightened to achieve a similar result.

1 The European Club Footballing Landscape: Club Licensing Benchmarking Report Financial Year 2009. UEFA: Switzerland. 2009. Please see same reports for 2010 to 2014..
2 *Ibid.*, p. 14.
3 *Ibid.*, p. 16.

Financial Fair Play: The Four Criteria

The four indicators of FFP are:[4]

- an auditor's conclusion regarding a "*going concern*";
- if financial statements disclose a negative equity position;
- the "*break-even*" result; and
- overdue payables.

The Club Financial Control Body (CFCB) has the right to request additional information where employee costs exceed 70% of revenues and if net debt exceeds 100% of revenues.[5]

The FFP Regulations are satisfied where:

- the four indicators are satisfied;[6]
- even if the club has not satisfied all four indicators, the club has an "*aggregate break-even surplus*" for each of the three preceding years;[7] or
- the club has an "*aggregate break-even deficit*" for the previous three years within the current "*acceptable deviation*."[8]

The first financial indicator is that of a "*going concern.*" When a club submits its financial statements, the auditor's report that accompanies these financial statements must provide an opinion as to whether the club can continue, financially speaking, until the end of the license season.[9] This is an auditor's initial opinion with respect to the club's short term financial health whether it can sustain its business operations for the remainder of the football season.

This indicator is a litmus test that acts as a "*gatekeeping*" rule in order to identify those clubs, as soon as possible, that may have a difficult time observing FFP. If the auditor of the financial statement provides an opinion that the club may not be in a position to operate as a matter of a going concern, either the CFCB or the member association may make further enquiries and examine the club under the more substantive rules; the break-even result, or the overdue payables.

Secondly, a club will be in a position of negative equity where the financial statements demonstrate that it is in a net liability position in comparison to the previous financial statement.[10] This means that if the club, over the past year, has lost money relative to its net assets, the club may be off side FFP Regulations.

4 UEFA Club Licensing and Financial Fair Play Regulations, Art. 62(3).
5 *Ibid.*, Art. 62(4).
6 *Ibid.*, Art. 63(1).
7 *Ibid.*, Art. 63(2)(a).
8 *Ibid.*, Art. 63(2)(b).
9 *Ibid.*, Art. 52(2)(a).
10 *Ibid.*, Art. 52(2)(b).

Similar to the "*going concern*" indicator, this provision acts as a "*gatekeeping*" rule in order to identify transgressors as soon as possible. This "*early warning system*" promotes CB by giving clubs who may deserve to qualify for a UEFA competition from a sporting perspective a chance to rectify their situation before being prohibited from competing.

The most substantive FFP regulation is the Break-Even Result. The "*break-even*" result requires that clubs ensure that their expenses are not greater than their revenues. It is the difference between "*relevant income*" and "*relevant expenses.*"[11]

The FFP Regulations provide clubs with incentives and disincentives towards making certain types of expenditures and refraining from others. "*Relevant Income*" are revenues that relate to the business of football (gate receipts, broadcasting rights, sponsorship, advertising and other commercial revenues from football sources, profit on player registrations, finance income and income from tangible fixed assets), and exclude income from non-football operations.[12] "*Relevant Expenses*" are expenses that relate to cost of sales, employees expenses, operating expenses, and expenses that relate to the purchase of players.[13] There is an incentive to grow football revenues and limit current expenses that have limited long term benefit from a CB perspective.

Clubs that spend more than they make within the "*notion of an acceptable deviation*" are not offside the "*break-even result.*" This is one of the more controversial aspects of the "*break-even result.*" Clubs are also allowed to exceed the "*break-even*" result over a period of three years by EUR 30 million, so long as there are capital contributions to cover those amounts, in certain terms where amounts of capital are actually forwarded to the clubs, without contingency or equivocation, by either equity participants or related parties to the club.[14]

Finally, clubs will be sanctioned in cases where they owe outstanding amounts in two circumstances (1) to other football clubs;[15] or (2) to employees or social/tax authorities.[16] The purpose is clear, to provide for an incentive to ensure clubs can meet their financial obligations.

The stated objectives of the FFP Regulations do not purport to directly limit salaries or to seek CB

These are the substantive rules, and as we can see they are a series of accounting regulations to ensure that clubs remain

11 *Ibid.*, Art. 60(1).
12 *Ibid.*, Art. 58(1).
13 *Ibid.*, Art. 58(2).
14 *Ibid.*, Art. 61(2).
15 *Ibid.*, Art. 49.
16 *Ibid.*, Art. 50.

solvent. UEFA is not imposing a hard cap or luxury as is done in North American sport. In fact, the stated objectives of the FFP Regulations do not purport to directly limit salaries or to seek CB. As stated in the regulations themselves, the objectives of FFP are to improve the economic and financial capability of clubs, to ensure that clubs settle their liabilities, to introduce discipline and rationality in club football finances, to encourage responsible spending for the long-term benefit of football and to protect the long-term viability and sustainability of European club football.[17]

Alternative: The Salary Cap and Competitive Balance

With respect to CB, some have argued that a hard salary cap system would have been preferable as opposed to the regulatory approach employed in the FFP system and that those transactions and salaries we saw this past summer transfer period would have been prevented.[18] The proponents of this argument contend that the salary cap system that limits salaries as an absolute dollar amount applies even to each team, and that contributes evenly to each team restricting the on-flied talent evenly amongst all teams, thus seeking perfect CB.[19]

CB in professional sports is the ability of all teams in a competition to enjoy the equal opportunity[20] in the reasonable ability to win championships. CB is dependent upon the equitable distribution of player qualities.[21] As there is a direct correlation between the amount spent on players and the sporting success of European football clubs the link between financial regulation and CB is obvious. Financial disparity threatens CB.

CB includes the reasonable prospect to finish first. Having many teams similar in skill and ability will not contribute towards CB if the same team keeps winning the championship despite having the same teams consistently competing for second. Although CB could be pursued at the lower echelons of the competition, such a circumstance cannot be described as purely competitive because consistent repeat winners will reduce the unpredictability of the competition.

Many point out that the system of revenue sharing in the German *Bundesliga*[22] has led to its competition being the

17 *Ibid.*, Art. 2(2).
18 *O. Daskal*, FFP OUT – Salary Cap IN. Soccer Issue.
19 *S. Kuper* and *S. Szymanski*, Soccernomics: Why England Loses, Why Spain, Germany, and Brazil Win, and Why the U.S., Japan, Australia--and Even Iraq--Are Destined to Become the Kings of the World's Most Popular Sport. Nation Books: London, UK. 2014, at p. 88.
20 *H. Preuss*, *K. Haugen* and *M. Schubert*, UEFA Financial Fair Play: the Curse of Regulation. European Journal of Sport Studies. V. 2(1), pp. 33 to 51 at p. 1; *H. Lenk* and *A. Gunter*, *Das Prinzip Fairneß*. Zürich: Edition Interform. 1989.
21 *S. Késenne*, The impact of salary caps in professional team sports. Scottish Journal of Political Economy. vol. 47, no. 4, 2000. pp. 422-430.
22 *J. Fisher*, Does the *Bundesliga*'s Financial Fair Play System Add Up? *Bundesliga* Fanatic. July 29, 2014.

most balanced in Europe. The truth is that *Bayern Munich* has dominated the German competition for the past 70 years with occasional challenges from provincial teams such as *Borussia Dortmund* and *Hamburger SV*.

The tension in the pursuit of CB is that professional teams are competitors and business partners. Clubs in the same competition compete on the pitch for the same trophies. Clubs also have common business needs to produce an entertaining product worthwhile to the consumer for the purposes of generating income streams though television contracts, tickets sales and other merchandizing ventures. Successful leagues attract sponsors who are willing to pay for the use of the competition of sport, their goods and services.

This has been referred to as "*associative competition.*" CB is a "*common resource*" where all clubs collectively benefit from its existence "*but none wish to contribute*" as policies that financially strengthen competitors weaken its relative strength.[23] Although "*the crisis in one club […] threatens to damage the financial stability of other clubs*"[24] the behaviour of European football clubs suggests that this is not important. The threat to CB is that teams have a conflicting self-interest in fielding the strongest team while abiding by rules that ensure the competitive nature of competitions. The myopic pursuit of a club's self-interest is the type of "*rat-race*" behaviour that threatens the uncertainty of outcomes.[25] This is a unique aspect of the business of sport that FFP must contend with and can also explain the escalation of transfer fees and player salaries as clubs work to out-bid for the services of star players.

Finally, long-term versus short-term CB must be distinguished.[26] The analysis of results of a competition takes place along a continuum. The shortest time period to analyze CB is one competition as winning a championship is the true measurement of success. Looking at short-term balance, however, may distort results where a team can enjoy success due to a limited number of factors, such as the acquisition of a star player or where a team has several players on loan from a senior team. An example that comes to mind to demonstrate this phenomenon is *Parma FC*. *Parma FC* experienced grand success from 1992 to 2002, winning three Italian Cups, one *Supercoppa Italiana*, two *UEFA*

23 *Vopel*, Professor Dr. Economic Analysis of the UEFA Financial Fair Play Regulation. Academic Paper, April 26, 2013. Hamburg School of Business Administration and Hamburg Institute of International Economics.
24 *U. Lago*, *R. Simmons*, and *S. Szymanski*, The financial crisis in European football: An introduction. Journal of Sports Economics. 2006. vol. 7, n. 3, pp. 3-12, at p. 3.
25 *T. Pawlowski* and *O. Budzinski*. The Behavioural Economics of Competitive Balance: Implications for League Policy and Championship Management. Ilmenau Economics Discussion Papers. Vol. 19, no. 89. September 2014.
26 The concept that competitive balance must be viewed over a longer period of time as opposed to one season or competition has been discussed in several economic studies including: *T. Pawlowski*, and *O. Budzinski*. The Behavioural Economics of Competitive Balance: Implications for League Policy and Championship Management. Ilmenau Economics Discussion Papers. Vol. 19, no. 89. September 2014; *M. Sass*. Long Term Competitive Balance under UEFA Financial Fair Play Regulations. University of Magdeburg Faculty of Economics and Management: Working Paper Series no. 5/2012. March 8, 2012 and *H. Preuss*, *K. Haugen* and *M. Schubert*. UEFA Financial Fair Play: the Curse of Regulation. European Journal of Sport Studies. V. 2(1), pp. 33 to 51.

Cups, one *European Super Cup* and one *UEFA Cup Winners' Cup* beating Europe's biggest teams with the help of some of the world's best players including *Gigi Buffon*, *Fabio Cannavaro*, *Lilian Thuram*, *Hernan Crespo*, *Juan Veron* and *Gianfranco Zola*. This run earned the regional club from Emilia-Romagna to be part of the "*seven-sisters*" of Italian club football. The team has suffered tremendously since its parent corporation, *Parmalat*, was placed under bankruptcy administration in 2003.[27]

Parma FC's success viewed exclusively over the course of those 10 years would suggest a distorted view that European club football enjoys great CB. *Parma FC*'s performance viewed over the course of the past 30 years would suggest that European success is unsustainable in the long-term without solid financial backing. For competitions to be considered balanced it is necessary to look at results over a significant period of time. If not an analysis would lead to the false perception that a competition is balanced over the short term.[28] For FFP to be effective it must employ policies that will work in the long-term, thus the need for legislative amendments as identified below.

Ultimately, this is the theory that underpins and justifies North America's pursuit of perfect competitive balance. As in all cases, the "*devil is in the details*" and review as to the actual rules may provide for some important lessons for European club football.

Restriction of Players' Salaries in the Closed System

Player salaries and costs in North America are restricted by (1) capping the total amount each team can spend on players' wages; (2) restrictions on what individual players can earn; and (3) restricting the purchase and sale of players. These rules are allowed under North American competition law due under the "*non-statutory*" labour exemption which excludes restrictions resulting from a collectively bargained process.[29] Critics of the UEFA FFP Regulations on the basis look to these regimes as an elixir to limit astronomical player costs. It is important to note that there are a variety of conflicting principles at work in the establishment of these rules, a player's right to contract freely, the need for salaries to be controlled and the teams desire to reap the benefits, either in sporting or financial terms, of those players that they have trained. These principles are recurring themes in both the open and closed systems, however they are dealt with very differently.

Salary Caps

Both the *NFL* and *NHL* use a "*hard cap*" where each team cannot spend more than an absolute amount on total players' salaries.[30] There is also a salary floor where teams must spend a minimum calculated within a percentage of the median, ensuring the redistributed revenues are spent on players, which promotes CB. These caps are relative to total league revenues and increases proportional to league revenues.

MLB and the *NBA* use a "*soft-cap*" or "*luxury tax*" system. Teams are allowed to spend more than the threshold amounts however must pay a penalty or "*tax*" as a percentage of that excess amount which is redistributed to either other teams or for other league purposes for the greater benefit of all teams. The *MLB* collective bargaining agreement in its "*Competitive Balance Tax*" requires that a team over the threshold for the first time over the course of 5 years pays 17.5% of the excess, second-time transgressors a 30% fine, third time violators pay 40% and teams that breach the limit four or more times pay a 50% penalty of the exceeded amount.[31] Interestingly, the *New York Yankees* have paid a total of USD 254 million (approx. EUR 215 million) in luxury taxes, or 95% of the total tax paid by all *MLB* teams,[32] have not won a championship since 2009, the entire life of the current collective bargaining agreement.

The "*hard-cap*" is the most direct method of controlling costs as it seeks to set an absolute on the amount that teams can spend on players. The soft cap gives teams the choice on how to allocate team revenues and creates a fund that can be redistributed for other purposes. This system promotes CB by pursuing the equal distribution of player talent as the best players seek and command the highest wages across all teams increasing the probability of uncertainty of outcomes.

Restrictions on Salaries of Individual Players

There are three ways to limit individual players' salaries, by imposing general market constraints on a player's ability to negotiate, upper limits on player salaries, and the imposition of rules on average salaries within the cap context.

With respect to the imposition of market constraints to negotiate freely, all North American sports leagues categorize players as either "*entry level*" players in the first several years, "*restricted free agents*" who are established professionals but have not achieved veteran status, and "*unrestricted free agents,*" the most veteran group of players. The *MLB* requires players who are drafted to be contractually bound to that team for the first three years of their career. Players who have

27 *Parmalat* in bankruptcy protection. BBC News. 24 December 2003.

28 *T. Pawlowski* and *O. Budzinski*. Competitive Balance and Attention Level Effects: Theoretical Considerations and Preliminary Evidence. Contemporary Research in Sports Economics – Proceedings of the 5th ESEA Conference, Frankfurt. Eds. *O. Budzinski* & *A. Feddersen*. May 2014.

29 Many US cases have applied and affirmed the *"non-statutory"* labour exemption including the United States Court of Appeals for the Second Circuit in Clarett v. National Football League, 369 F.3d 124, (2d Cir. 2004).

30 The Collective Bargaining Agreement between the National Hockey League and the National Hockey League Players' Association, 15 February 2013.

31 2012-2016 Basic Agreement between the 30 Major League Clubs and the Major League Baseball Players' Association, 12 December 2011.

32 en.wikipedia.org/wiki/Luxury_tax_(sports)#Luxury_tax

played for three to six years, although contractually bound to their teams, have the ability - if they are dissatisfied with their salary offer - to have their case heard by an independent arbitrator who will award an appropriate salary in relation to their peers.[33] Players who have played for six years and do not have a contract can apply for free agency and openly negotiate with all teams in the league subject to the greater market restrictions.[34]

The second way the closed system limits individual players' salaries is to impose limits on the amount an individual player can earn. Most closed leagues limit salaries of players according to whether they are an "*entry level*", mid-level or a veteran player. The *NHL* limits the salaries by imposing a limit of approximately USD 1,000,000 (approx. EUR 850,000) per year on entry-level player in their first three years and the general limitation on all players where no player can earn more than 20% of the clubs upper limit in total annual compensation.[35]

The last way individual salaries are limited in the closed system is to restrict the amount a player can earn in accordance with his average salary over the life of a contract. In a salary cap system, there is an incentive to negotiate a player's salary in order to pay a player a higher proportion of income in certain years, contingent on what the team pays to its other players. If an *NHL* team has much room under the hard salary cap, and expects to spend more money on players in the future years in order to be competitive, there is an incentive to pay the player a disproportionate amount of income in the earlier years.

This became a real problem in the *NHL* where teams were regularly "*front loading*" contracts. The "*last straw*" was the *New Jersey Devils 2010* proposed contract with *Ilya Kovalchuk* that was rejected where the club would pay the player USD 102 million (approx. EUR 86 million) over 17 years.[36] Under the terms of the deal, the player would be compensated up to USD 11.5 million (approx. EUR 9.7 million) for certain years, and as low as USD 550,000 (approx. EUR 460,000) for each of the last five years of the contract. The *NHL* refused to approve that contract and has since dealt with those types of contracts by negotiating a rule where, simply put, a player's yearly salary must be within a weighted average of the annual salary that the player earns over the life of the contract.[37]

This may have the effect of increasing per annum salary in some years, and reducing it in others depending on the structure of the contract.

Restricting the Purchase and Sale of Players' Contracts

The final way expenditures are limited in the closed system is that the purchase and sale of players' contracts, the free transfer system in European football, is, for the most part, prohibited. The *NBA* Collective Bargaining Agreement limits the amount of cash allowed in a trade to the "*Maximum Annual Cash Limit*" which hovers around USD 3.5 million (approx. EUR 3 million).[38]

The limitation, and essential prohibition of purchasing the right to employ players, seeks to promote CB because it eliminates another way for a rich team to acquire top talent to the exclusion of poorer teams. The escalation of transfer fees has separated the have and have not clubs and the prohibition of this practice obviously promotes CB.

Salary Caps and European Club Football

It has been argued that the hard cap method of salary control would better serve the end goal of absolute CB.[39] This argument is made on the basis that it applies evenly to all clubs as an absolute figure. There is no way to skirt around the rules.

This may not be a viable system in the world of European football for several reasons at the moment. Firstly, the level of the hard cap that teams are allowed to spend on players is directly proportional to the amount of revenue that a league earns in a particular year. The more the league earns, hence the average team earns, the more it can spend on players. Because there is such a huge disparity between the earnings of European football clubs, it would not make sense to have a "*one size fits all*" salary cap for all teams in a league. For example, in the Spanish *LaLiga*, *Real Madrid* earns over EUR 500 million per year, while *Valencia* earns approximately EUR 100 million.[40] To have a salary cap that limits *Valencia*'s expenses on salaries would prove only to ensure that the proprietors of *Real Madrid* earn supra normal profits. To have a cap that would attempt to limit *Real Madrid*'s spending on players relative to its gross income would not serve to limit *Valencia*'s spending, nor would it achieve competitive balance. A more poignant example would be to compare top clubs in different countries. For example, in 2015-2016, *Manchester United*, the highest earning club in the world, grossed EUR 689,000,000 while *Napoli*, the 30th ranked club for earning made EUR 142,700,000.[41]

33 2012-2016 Basic Agreement between the 30 Major League Clubs and the Major League Baseball Players' Association, 12 December 2011, art. VI(E)(1).

34 *Ibid*., art. XX(B)(1).

35 The Collective Bargaining Agreement between the National Hockey League and the National Hockey League Players' Association, 15 February 2013.

36 *S. Bernstein*, Salary Caps in Profession Sport: Closing the *Kovalchuk* Loophole in National Hockey League Player Contracts. *Cardozo* Arts and Entertainment Law Journal. Volume 29:375, 2011, pp. 375 to 402.

37 *Ibid.,* at p. 391.

38 The Collective Bargaining Agreement between the National Basketball Association and the National Basketball Association Players' Union, December 2011. Article VII.

39 *O. Daskal*, *UEFA Should Seriously Consider an Alternative to FFP*. Soccer Issue, p. 88.

40 *Deloitte Sports Business Group*. *Football Money League: All to Play For*. January 14, 2014.

41 *Deloitte Sports Business Group*. Football Money League: Planet Football. January 2017.

To achieve an effective cap level would prove to be a major obstacle for two clubs in the same competition. The only way a cap system would work in Europe is if there was 100% absolute revenue sharing between all teams in all countries. This will never occur.

> ***The FFP method of regulation is appropriate for the relative CB concept as it exists in the open system***

Secondly, in a closed system, a limited number of teams compete in the league which is governed by a series of rules agreed to by the league owners. Multiple leagues do not exist with promotion or relegation between leagues. In the European open system, the club is the focus, they can enter into several competitions simultaneously and compete at different levels of competition. This has an effect on the expectations of fans as well as owners. Because there are several leagues, competitions and cups, not all teams compete for the same trophies or on the same footing. Expectations are tempered based on what competitions the teams play in, how "*large*" the teams are relative to what types of revenues they generate. Teams from small towns with 20,000 person stadiums will never compete with teams from cosmopolitan metropolises. This is the fundamental difference between the open and closed system where there are too many teams, all with different economic capabilities, and to have them compete at the same level is not only impossible, but it is not desired. CB is a relative term in the European open system, and absolute CB is not a possible goal as it is in North America. A uniform salary cap for all teams competing in UEFA competitions does not make sense because of this disparity. The FFP method of regulation is appropriate for the relative CB concept as it exists in the open system.

Conclusion

Despite the criticisms that a salary cap would serve to limit the types of transactions that the football world saw this summer, it appears that European club football is in a state of relative good health compared to 2009. UEFA reported on 27 October 2017 at the annual UEFA Club Licensing and Financial Fair Play workshop held in in Montenegro, that the regulations are "*creating a positive turnaround in European club football finances.*"[42] Relying on concrete and tangible data to support this assertion, UEFA announced:[43]

- first division European football clubs generated higher operating profits than ever before;
- combined losses of club decreased for the fifth consecutive year from EUR 1,700,000,000 when the FFP Regulations were first implemented to just over EUR 260,000,000 currently;
- there were only EUR 7,000,000 in overdue payables as of 30 June 2017;
- the level of net club debt is at its lowest level ever;
- 491 of the 555 applications received for UEFA club completion licences were successfully granted which is the highest success rate to date.

Some of these figures are quite impressive. The reduction of combined losses of clubs by more than 75% is nothing less than remarkable and that there were only EUR 7,000,000 in overdue payables as of 30 June 2017 is incredible, in the literal sense of the word. The general picture, according to UEFA, is that the FFP Regulations are working and that some financial sanity has been imposed.

Ultimately, a salary cap system employed in North America seeks the purposes for CB in that continent. There are fundamental structural and legal differences in the two systems that may make it difficult for UEFA to impose a salary cap system. Therefore, the answer to the question as to whether the summer transfers of 2017 would have been prevented is rhetorical, as that method of regulation may never be imposed in Europe.

42 www.uefa.com/insideuefa
43 www.uefa.com/insideuefa