FIFA Announces Changes to the Transfer Window

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Sports Shorts previously commented on the FIFA guidelines that were recently published to address some of the practical issues that arose as a consequence of the COVID-19 crisis. FIFA has now published temporary amendments to its FIFA Regulations on the Status and Transfer of Players ("RSTP"), which are binding. FIFA also published recommendations in response to Frequently Asked Questions, which are non-binding.

The temporary amendments are as follows.

**Player registrations**

Article 5, Paragraph 4 of the RSTP usually provides that players can be registered with a maximum of three clubs during one season but may only play official matches for two clubs in this period.

A temporary amendment now enables a player who is registered with three clubs during one season to play official matches for three clubs. This applies to (a) associations following a dual-year calendar (covering the 2019/20 and 2020/21 seasons) and (b) associations following a single-year calendar (covering the 2020 season).
Article 6, Paragraph 2 of the RSTP provides that the first registration period shall begin after the completion of the season and “normally” ends before the new season commences. This refers to the first transfer window opening after the close of the season. The temporary amendment permits associations to commence the first registration period for the new 2020/21 before the end of the 2019/20 season. The amendment provides that such overlap is limited to a maximum of four weeks before the end of the current season. This means that the transfer of players between clubs is permitted during such period of the 2019/20 season but players will only be eligible to participate in domestic competitions for their new club from the 2020/21 season. Similarly, out-of-contract players may be engaged by a new club before the end of the current season but will only be eligible to participate in domestic competitions for their new club from the 2020/21 season.

Article 6 paragraph 2 of the RSTP continues to provide that the maximum duration of the first registration period is 12 weeks whilst the maximum duration of the second registration period is four weeks. This remains unaffected by the amendments.

The Premier League is reportedly unlikely to allow clubs to sign players before the end of the 2019/20 campaign whilst the FA may move the domestic transfer window to August until October. The French Football Federation opened their domestic window last week but may open its international transfer window from August until October too, which seems to be the growing consensus sought across Europe.

**Expiring agreements**

As mentioned, the temporary amendments enable out-of-contract players to sign with new clubs during the 2019/20 season. So, for example, Ryan Fraser (whose employment contract with AFC Bournemouth expires on 30 June) may sign a new employment contract with another club from 1 July despite the fact that the 2019/20 season will still be operating. AFC Bournemouth has reportedly offered short-term extensions to players whose contracts are set to expire before the end of the 2019/20 season but Fraser is likely to reject such an extension. Fraser would not be able to play for his new club in any of its remaining fixtures of the 2019/20 campaign. A club may consider that it does not wish to sign a player and pay their wages if the player is ineligible for the current season. Conversely, such an investment may pay dividends for the club when the player can contribute in the next campaign.

FIFA’s guidelines recommend parties to agree to extensions on expiring agreements and delay new agreements from commencing. FIFA urges all parties to negotiate any extensions or delays in good faith. It is also recommended that priority be given to a player’s former club to complete its domestic season with its original squad. Accordingly, such employment contracts will have been entered into on the mutual intention that such a player’s contract would expire at the end of the 2019/20 season and new agreements begin once the 2019/20 season is closed. However, FIFA notes that parties may in fact choose to enforce expiring agreements and new agreements based on the specific dates stipulated in the agreement.

**Loan deals**
FIFA similarly recommends that existing loan agreements due to expire at the original end date of the current season be extended to allow the club (where the player is on loan) to complete its domestic season with its original squad. Priority should be given to the engaging club with the view to respecting the integrity of the competition. As such, Harry Wilson’s loan spell at AFC Bournemouth was extended to ensure the player remains at the club until the end of the 2019/20 season.

**New agreements that cannot be performed**

Where new agreements have already been signed between player and club but a competition has been suspended as a result of the virus, FIFA again defers to the contractual autonomy of the parties and the governing law of such agreements. However, FIFA recommends that that clubs and employees should follow guiding principles (which are listed in order of preference) when considering variations to employment agreements.

1. Good-faith efforts to negotiate collective agreements on a league basis or a club basis should be pursued where the suspension of a competition requires the amendment of existing employment agreements;

2. FIFA judicial bodies will only recognise a unilateral variation to an employment agreement where such variation is permissible under the governing law of the agreement;

3. Where such unilateral variations are implemented, they must be made in good faith, be reasonable and be proportionate (paragraph 17 of the FAQs provides that the criteria determining whether a variation is reasonable proportionate is not exhaustive and all factors will be considered);

4. Alternatively, all agreements between clubs and employees should be suspended where the competition is also suspended. In this case, the club must ensure it has maintained proper insurance coverage and employees are entitled to adequate alternative income support arrangements during the period in question.

These guiding principles shall be applied in conjunction with the principles of non-discrimination and equal treatment.

**Conclusion**

FIFA’s recommendations here present a fine balancing act. Whilst FIFA will defer to the written agreement of a player contract and the governing law of such contract, its recommendations place emphasis on good-faith negotiations and aim to prioritise the rights of the club (to ensure it finishes the season with its original squad). This intends to uphold the integrity of the domestic competitions that are yet to close as a result of the crisis.

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