

## **PRESS RELEASE No 172/24**

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Judgment of the Court in Case C-650/22 | FIFA

## Football: some FIFA rules on international transfers of professional footballers are contrary to EU law

Those rules hinder the free movement of players and competition between clubs

A former professional footballer residing in France is challenging before the Belgian courts a number of the rules adopted by Fédération internationale de football association (FIFA), the association responsible for the organisation and control of football at world level, arguing that they hindered his being employed by a Belgian football club. The rues in question are contained in the FIFA 'Regulations on the Status and Transfer of Players' (RSTP).

Those rules, which are applied by both FIFA and its member national football associations, such as the Belgian association (URBSFA), apply, inter alia, in cases where a club considers that one of its players has terminated his employment contract without 'just cause' before the normal term of that contract. In that case, the player and any club wishing to employ him are jointly and severally liable for any compensation due to the former club. Moreover, the new club may, in certain situations, be subject to a sporting sanction consisting in being banned from registering any new players for a given period. Lastly, the national association to which the player's former club belongs must refuse to issue an International Transfer Certificate to the association where the new club is registered as long as a dispute between the former club and the player concerning the termination of the contract is pending.

The Cour d'appel de Mons (Court of Appeal, Mons, Belgium) asks the Court of Justice whether those various rules are compatible with the free movement of workers and competition law.

The Court holds that all of those rules are contrary to EU law.

First, the rules in question are such as to impede the free movement of professional footballers wishing to develop their activity by going to work for a new club, established in the territory of another Member State of the European Union. Those rules impose considerable legal risks, unforeseeable and potentially very high financial risks as well as major sporting risks on those players and clubs wishing to employ them which, taken together, are such as to impede international transfers of those players. Although restrictions on the free movement of professional players may be justified by overriding reasons in the public interest consisting in ensuring the regularity of interclub football competitions, by maintaining a certain degree of stability in the player rosters of professional football clubs, in the present case the rules in question nevertheless seem, subject to verification by the Cour d'appel de Mons (Court of Appeal, Mons, Belgium) in a number of respects, to go beyond what is necessary to pursue that objective.

Secondly as regards **competition law**, the Court holds that **the rules at issue have as their object the restriction**, **and even prevention**, **of cross-border competition** which could be pursued by all clubs established in the European Union, by unilaterally recruiting players under contract with another club or players about whom it is alleged that the employment contract was terminated without just cause. In that regard, the Court recalls that the possibility of competing by recruiting trained players plays an essential role in the professional football sector and

that rules which place a general restriction on that form of competition, by immutably fixing the distribution of workers between the employers and in cloistering the markets, are similar to a no-poach agreement. The Court further observes that, subject to verification by the Cour d'appel de Mons (Court of Appeal, Mons, Belgium), those rules **do not appear to be indispensable or necessary.** 

**NOTE:** A reference for a preliminary ruling allows the courts and tribunals of the Member States, in disputes which have been brought before them, to refer questions to the Court of Justice about the interpretation of European Union law or the validity of a European Union act. The Court of Justice does not decide the dispute itself. It is for the national court or tribunal to dispose of the case in accordance with the Court's decision, which is similarly binding on other national courts or tribunals before which a similar issue is raised.

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The <u>full text and, as the case may be, the abstract</u> of the judgment is published on the CURIA website on the day of delivery.

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