



Explanatory Note

FIFA Football Agent Regulations and Amendments to the Scottish FA Working with Intermediaries Regulations

Following the launch of the new FIFA Football Agent Regulations (“**FFAR**”) on 9 January 2023, all FIFA member associations were required to implement domestic Football Agent Regulations which comply with the mandatory provisions of the FFAR by 1 October 2023.

On 19 June 2023, The FA confirmed that a group of football agencies had commenced arbitration proceedings to challenge the implementation by The FA of its domestic Football Agent Regulations. Those arbitration proceedings have now concluded and the Tribunal has indicated that it will issue its award by 30 November 2023. The FA has therefore advised that the implementation of its domestic Football Agent Regulations (to the extent upheld by the Tribunal) will be delayed until the earlier of (a) 30 November 2023 or (b) the handing-down of the Tribunal’s award.

The Scottish FA has intimated to FIFA that it intends to delay the implementation of its domestic Football Agent Regulations in line with the timing outlined by The FA. The reason for this is that the decision in The FA arbitration will be based on the same underlying law and principles as apply in Scotland, so it is likely that our judicial bodies will follow that decision. In the meantime, the Scottish FA Working with Intermediaries Regulations (the “**Intermediary Regulations**”) will remain in force.

This Explanatory Note summarises when the FFAR and the Intermediary Regulations will apply, as well as some key points to note in respect of each of them. This Note is not exhaustive and should be read in conjunction with the full content of the FFAR and the Intermediary Regulations, both of which can be found on the Scottish FA website.

Intermediary Regulations

The Intermediary Regulations will continue to apply to any **national** transfer or transaction involving Scottish clubs (i.e. a player or coach moving from one Scottish club to another Scottish club or signing a contract extension or as a free agent with a Scottish club), pending the outcome of The FA arbitration referred to above.

A small number of clarificatory amendments have been made to the Intermediary Regulations, as well as one key amendment, which is to introduce an additional requirement that Intermediaries must now hold a FIFA football agent licence. This is to ensure consistency of conduct by football agents / Intermediaries in international and national transactions. The provisions of the Intermediary Regulations will otherwise continue to apply in the same manner as before 1 October 2023.

FFAR

Notwithstanding the delayed implementation of the Scottish FA’s domestic Football Agent Regulations, participants are required to comply with the provisions of the FFAR insofar as they apply to the circumstances of an **international** transfer or transaction involving a Scottish club (i.e. a player or coach moving from a Scottish club to a club out with Scotland or vice versa). The key provisions in the FFAR are as follows:

How agents are licensed (FFAR Articles 4 - 10)

From 1 October 2023, all football agents must be natural person (i.e. not an agency/company) licensed by FIFA in order to conduct football agent activity. The FIFA licence will authorise football agents to perform football agent services to clients on a worldwide basis.

Representation Agreements (FFAR Article 12)

A football agent can only perform football agent services for a client after entering into a written Representation Agreement with that client.

Representation Agreements concluded prior to 16 December 2022 will remain valid until they expire and it is understood that those Representation Agreements will not be subject to new rules no matter when the transaction takes place. However, any new Representation Agreements or renewals of existing Representation Agreements concluded after 16 December 2022 must comply with the FFAR.

Any Representation Agreement from 16 December 2022 onwards must be in writing and contain:

- the names of the parties;
- the duration;
- the amount of the commission due to the agent;
- the nature of the services to be provided; and
- the parties' signatures.

Prior to entering into a Representation Agreement with a client, agents will have to (a) inform the individual in writing that they should consider taking independent legal advice in relation to the Representation Agreement; and (b) obtain the individual's written confirmation that they have either obtained or decided not to take such independent legal advice.

Representation Agreements between individuals and football agents shall be valid for a maximum period of two years and cannot contain any automatic renewal clause. They cannot include any clause which prevents a player from representing themselves. Representation Agreements between engaging/releasing clubs and football agents are not subject to a maximum duration.

Multiple Representation (FFAR Article 12)

An agent may only represent one client in a transaction unless they represent both a player and an engaging club (subject to receiving both the player and engaging club's consent). This means that agents can no longer act for all three parties in a transaction (i.e. for a player, a releasing club and an engaging club; or for a releasing club and an engaging club; or for a player and a releasing club in one transaction).

Representation of Minors (FFAR Article 13)

Football agents are prohibited from approaching a minor or their legal guardian any earlier than six months before the minor reaches the age where they may sign their first professional contract, which in Scotland is currently 16 years old. An agent must obtain written consent from the minor's legal guardian before making any approach to the minor in question. Furthermore, football agents shall not receive a commission for the representation of a minor, unless the relevant player is signing their first or subsequent professional contract.

Before representing a minor or a club in a transaction involving a minor, agents must first successfully complete the designated CPD course on minors and comply with any requirement to represent a minor established by the law applicable in the territory where the minor will be employed.

Service Fee (FFAR Articles 14 and 15)

Payment of the service fee due under a Representation Agreement must be made exclusively by the client of the football agent (i.e. a club can no longer make these payments on a player's behalf). The only exception to this is when the negotiated annual remuneration is less than US\$200,000 (or equivalent), not including any conditional payments.

Service fees shall be paid on an invoice basis directly to a football agent until such time as the provisions regulating service fee payments contained within the FIFA Clearing House Regulations enter into force.

The FFAR include a cap on the fees that football agents can earn, as follows:

Client	Service fee cap	
	<i>Individual's annual Remuneration less than or equal to USD 200,000 (or equivalent)</i>	<i>Individual's annual Remuneration above USD 200,000 (or equivalent)</i>
Individual	5% of the Individual's Remuneration	3% of the Individual's Remuneration
Engaging Entity	5% of the Individual's Remuneration	3% of the Individual's Remuneration
Engaging Entity and Individual (permitted dual representation)	10% of the Individual's Remuneration	6% of the Individual's Remuneration
Releasing Entity (transfer compensation)	10% of the transfer compensation	

"Remuneration" includes basic salary, any sign-on fee and any conditional payments (e.g. a loyalty or performance bonus). If the annual remuneration is above US\$200,000, it is only the remuneration above that amount which is subject to the higher cap of 3% or 6%.

Should you have questions in relation to the FFAR, the Intermediary Regulations or the contents of this Explanatory Note, please contact agents@scottishfa.co.uk

10 October 2023