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Regulation of the Player's Agents in Russia

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Basic documents

- FIFA Statute and Regulations governing the application of the Statute
- FIFA Regulations on the Status and Transfer of Players
- FIFA Players' Agents Regulations
- FIFA Circulars
- Rules Governing the Procedures of the PSC and the DRC

FIFA documents

- FUR Statute
- FUR Players' Agents Regulations
- FUR Regulations on the Status and Transfer of Players
- FUR Regulations on the dispute resolution

FUR documents

- Civil Code of RF
- Labor Code of RF

National Russian Law

Main obligations of the Player's Agent

- Avoid a conflicts of interest
- Avoid a representation of both parties in a transfer
- Annually renew the insurance policy (no breaks between the terms of the insurance policy)
- Register a representation contract in time (within 30 days from the signing date)
- Provide a copy of a representation contract to the client (within 30 days from the date of contract's registration in the FUR)
- Annually provide a copy of the tax declaration to the FUR (no later than May 31 every year)
- Settle all disputes arising from the representation contract in the FIFA's or the FUR's jurisdictional bodies

Representation contract

- Agent shall be permitted to represent a Player or a Club only by concluding the representation contract with that Player or Club
- Representation contract shall be made in accordance with the requirements of FUR Players' Agents Regulations and Russian legislation
- Representation contract mustn’t contain provisions limiting Player on the conclusion of an employment contract without Agent
- Representation contract shall be registered by the National Association of Player’s (or Club’s) registration, but the 4th copy of the contract is always sent to the National Association of Agent

Representation contract with the minors

- Not allowed conclusion of the representation contract with Player before 14 years old
- Representation contract with a minor Player shall be concluded only with written consent of the legal representatives (parents, adoptive parents or guardians)
- If Player is before 16 years old, Agent has the right to payment remuneration no more than 3 percent of the Player’s annual basic gross income

Agent’s remuneration

- Agent has the right to receive remuneration only from the one side, which Agent represents in the transfer (either only from Player or only from Club)
- Agent receive remuneration from Player at the start of the employment contract or at the end of each contractual year
- Agent’s remuneration shall not exceed 10 percent of the Player’s annual basic gross income, herewith basic gross income shall not include such privileges as a flat, a car, and any kind of bonus which is not guaranteed (bonuses for points and goals etc.)
- Agent has the right to require remuneration from Player only in case if he participated in a signing of an employment contract between Player and Club (evidence of such participation is an Agent’s signature on an employment contract or other proofs)

Player’s right to conclude an employment contract without Agent

- FIFA Player’s Agents Regulations (p.7 art.19): “The provisions set out in this article are without prejudice to the client’s right to conclude an employment contract or a transfer agreement without the assistance of a representative”
- FUR Player’s Agents Regulations (p.4 art.15):”Representation contract mustn’t contain any conditions which limited Player or Club to conclude an employment contract or a transfer contract without Agent”

- Human right to free labor is a constitutional right, which is not limited by the parties in a representation contract

- Agent has the right to require remuneration only if he participated in conclusion of an employment contract:
  - Case «Zhirkov/ Khalapourdin» (decision of the FUR’s PSC № 12/2 from 14.07.2011)
  - Case «Lachter/ Boateng» (decision CAS 2010/A/2091 Denis Lachter v. Derek Boateng Owusu)
  - Case «Gurel/ Ozalan» (decision CAS 2006/A/1019 Gurel v/Ozalan)

Case «Zhirkov/ Khalapourdin»

- Agent Viktor Khalapourdin required from Yury Zhirkov the remuneration 10 percent of the Player's salary under the employment contract with PFC CSKA
- FUR's Dispute Chamber Resolution recognized Agent's requirements (FUR's DRC decision № 105/11 from 07.07.2011)
- FUR's Player's Status Committee canceled the decision of DRC and denied to Agent in his requirements to the Player (decision of the FUR's PSC № 12/2 from 14.07.2011) on the following grounds:
  - The only fact of the conclusion of the representation contact is not reason for the payment remuneration to Agent
  - Remuneration is paid to Agent only in case of the proper performance of the assignment under the representative contract
  - Agent could not prove his participation in the conclusion of the employment contract with PFC CSKA, there wasn't Agent's signature in the employment contract
  - Multiplicity of the conclusion of the representation contract (Agent and Player concluded the representation contract 3 times for 2 years each contract) is not proof of the proper execution of the representative contract and is not reason for the payment remuneration

Case «Lachter/ Boateng»

- Player Derek Boateng had the representative contract with Denis Lachter and in July 2006 signed the employment contract with Beitar FC, Agent is not involved in the conclusion of the employment contact
- In May 2007 Agent sent to the Player's Status Committee the complaint to Player for the payment remuneration according to the representation contract for the signing employment contract with Beitar FC, Player objected to the PSC's jurisdiction
- In June 2007 Player, considering that the dispute has national nature, addressed to the National Arbitration IFA with the requirement to refuse in the payment remuneration to Agent according the representation contract, Agent objected to the IFA's jurisdiction
- In October 2007 the National Arbitration IFA made a decision in favor of Player, because Agent is not involved in the Player's transfer to Beitar FC and therefore Agent has not the right to receive remuneration (Agent appealed this decision to the courts of Israel, but lost in all instances)
- In March 2010 PSC dismissed the Agent's claims, because he didn't prove his participation in the signing of the employment contract between Player and Beitar FC, Agent appealed this decision to CAS
- In December 2011 CAS recognized that the dispute between the Player and Agent had national nature, confirmed the authority of the National Arbitration IFA adjudicate, the dispute has not been considered on the merits by CAS (decision CAS 2010/A/2091 Denis Lachter v. Derek Boateng Owusu)

Case «Gurel v/Ozalan»

- In February 2003 Agent Madjdat Gorel and Player Alpay Ozalan concluded the exclusive representative contract for 2 years
- In January 2004 Player signed the employment contract with the Korean Football Club Incheon United without Agent, then Agent addressed to FIFA with the requirement to pay him the remuneration according to the representation contract
- In November 2005 PSC dismissed the Agent's claims, because Agent didn't participate in the signing of the employment contract between Player and Incheon United, Agent appealed this decision to CAS
- In November 2006 CAS issued the decision that Agent has been refused to meet the requirements for the Player (decision CAS 2006/A/1019 Gurel v / Ozalan) on the following grounds:
  - Agent has not the right for the remuneration until the event with Agent's participation, which gives him the right to receive such remuneration, doesn't occurred
  - remunerations to Agent shall be paid only after the signing of an employment contract
  - exclusivity of the representation contract means that Player can't conclude the contracts with other Agents, but doesn't mean that Player has not right to sign an employment contract without Agent

Summary

- Conclusion of a representation contract doesn’t entail the automatic payment of the remuneration to Agent, such remuneration shall be paid only for the work done
- Agent can apply for the remuneration from Player only if he participated in the Player’s transfer
- In case of a dispute over the payment of the remuneration, Agent must prove his participation in the conclusion of an employment contract between Player and Club (such evidence is an Agent’s signature on the employment contract)
- Player can’t be restricted in the right to sign an employment contract without Agent
- Exclusivity of the representation contract means that Player can’t conclude the contracts with other Agents, but doesn’t mean that Player has not right to sign an employment contract without Agent

Termination of representation contract

Representation contract can’t be terminated by the one party except for the following cases:

- The cases stipulated in art. 1010 of the Civil Code (generally, don’t apply to the football)
- Essential violation of representation contract by the one party (article 450 of the Civil Code)

Notice.: As an essential violation shall be recognized such violation of the contract by one of the parties, which entails for the other party the losses, to a considerable extent depriving it of what it could have counted upon when concluding the contract.

FIFA Players' Agents Regulations:

- In representation contract the parties have the right to stipulate a compensation for the termination of contract by the one party, herewith the parties should be guided by the legislation of the Russian Federation regarding this compensation, as well as the principles of proportionality and fairness
- Representation contract shall contain condition about termination of the contract in case of deprivation of the Agent’s license, or in the case of voluntary surrender of the Agent’s license

Dispute resolution arising from representative contract

National dispute (Player and Agent are registered in the one National Association):

- Such kind of disputes are considered by an independent and impartial national jurisdictional body acting on the territory of National Association

International dispute (Player and Agent are registered in different National Associations):

- Such kind of disputes are considered by FIFA PSC according to the Rules Governing the Procedures of the PSC and the DRC

The limitation period for the claim to the national jurisdictional body and PSC:

- 2 years since event causing the dispute had arisen

Appeal:

- Appeals against decisions of the national jurisdictional body or PSC are considered by CAS, term of appeal is 21 day since the decision had been received

Questions and answers

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