

„Armand Carabén“ Workshop on Football Economics



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„Perspectives and Economical Challenges for Elite Football Clubs – Contractual Stability“

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Contractual Stability: Problem of „breach of contracts“

- **Article 13 FIFA Regulations:**
„pacta sunt servanda“
- **Importance for clubs:**
 - Financially: Budget of the club
 - Sporting: Squad planning and strategy (length of contracts, systems [4-3-3, 4-4-2, etc.]
- **Fair principle:**
 - Guarantee for players to receive salary for whole contractual period
 - Guarantee for clubs to have services for whole contractual period, thus keeping budget and squad?



Contractual Stability: Problem of „breach of contracts“

Article 17 FIFA Regulations?

No, if:

- Club breaches contract and needs to pay whole salary until the end of the period, but
- Player does not need to perform and club will not even be able to adjust budget, squad and strategy



Contractual Stability: Problem of „breach of contracts“

No real remedies, Consequences:

- **Contractual penalty?**
- **Written warning notice?** Pre-requisite for extraordinary termination of conduct
- **Extraordinary termination of contract?** Do you really want to lose the player WITHOUT transfer compensation?



Contractual Stability: Problem of „breach of contracts“

Conclusion:

- No real formal remedy
- Rather personal relationship between sporting management and the player (respect)
- If this is not working: ultima ratio is selling the player! „Forced to sell“



Contractual Stability: Problem of „breach of contracts“

Challenge for the clubs:

- Need to find „replacement transfer“
- Need to balance such transfer with system, strategy and budget
- Uncertainty whether CAS/courts will grant compensation for such challenge



Thank you very much

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