

# **FSF Regulations Governing Intermediaries**

issued by

the Executive Committee of

the Faroe Islands Football Association ("FSF")

## **1. Definition**

- 1.1 An intermediary is a person who, for money or free of charge, represents a player and/or a club in the negotiation and conclusion of a player contract, including a loan agreement, or represents a club in the negotiation and conclusion of a transfer agreement. A person can engage in intermediary activity either as a sole trader or a company.
- 1.2 References to natural persons in these regulations include both genders as well as legal persons.

## **2. Scope**

- 2.1 These regulations governs intermediary activity with regard to:
  - 2.1.1 negotiation and conclusion of a player contract between a player and a club or
  - 2.1.2 negotiation and conclusion of a transfer agreement between two clubs.
- 2.2 The regulations are applicable when intermediary activity is in relation to a player registered in a club affiliated with FSF or in relation to a club affiliated with FSF.

## **3. General principles**

- 3.1 Players and clubs are entitled and only allowed to enter into representation contracts with intermediaries who are already registered with FSF or submit an application for registration no later than on signing the representation contract.
- 3.2 A registered intermediary must not be employed with, hold elected office in or have any financial interest in (i) FIFA, (ii) a confederation, (iii) a national association, (iv) a league, (v) a club or (vi) an organization or (vii) a company affiliated with any of the above. Such interest may not exist, whether directly or indirectly, in relation to the intermediary's activity.
- 3.3 Players and clubs are not allowed to use an official as an intermediary. Officials are defined as board members, committee members, referees and assistant referees, coaches and any other person in charge of technical, medical and administrative matters in (i) FIFA, (ii) a confederation, (iii) a national association, (iv) a league or (v) a club, as well as any other persons subject to FIFA's rules and regulations. An official is not allowed to receive any payment, whether

directly or indirectly, from a player, a club or an intermediary in relation to the negotiation and/or conclusion of a player contract or a transfer agreement.

- 3.4 In the negotiation and conclusion of player contracts, players under the age of 18 are entitled to be represented by at least one guardian without such guardian(s) being required to register as intermediaries.
- 3.5 Failure to comply with the provisions of these regulations will not affect the validity of the relevant player contract or transfer agreement.

#### **4. FSF registration of intermediaries**

- 4.1 FSF must introduce a registration system for intermediaries.
- 4.2 A person may apply for registration with FSF by signing and submitting to FSF the intermediary declaration attached as an appendix to these regulations. FSF must notify the person in question as soon as possible whether the application for registration as an intermediary will be granted and, if so, FSF will post a notice on its website that the person is now a registered intermediary.
- 4.3 Intermediaries must be registered in the registration system when commencing their activities. A natural person will be eligible for registration as an intermediary with FSF only if he is legally competent, has no criminal record and has an impeccable reputation in FSF's opinion.
- 4.4 If the intermediary activity is in the form of a company, all persons wishing to work as intermediaries under the auspices of the company must be registered. The company and the natural persons associated with the company as owners, including direct and indirect shareholders, board members and commissioners must also have an impeccable reputation in FSF's opinion.
- 4.5 FSF must continually publish the names of the FSF registered intermediaries on its website, including any association with an intermediary company.
- 4.6 Every year, before the end of March, FSF must publish the player contracts and transfer agreements which were concluded in the past calendar year with the assistance of the FSF registered intermediaries, as well as the players and clubs involved.
- 4.7 In addition, FSF must publish the total consolidated amount of all payments due to intermediaries from all players and individual clubs.

#### **5. Registration and annual fees**

- 5.1 An FSF registered intermediary must pay a registration fee to FSF, which will fall due for payment immediately on registration. At present, the registration fee is DKK 5,000 + VAT. Each subsequent year, on 1 January, a fee will be payable to renew the registration. At present, the annual fee is DKK 5,000 + VAT.

5.2 In case of any failure to pay the registration or annual fees due and any failure to pay within 8 days of a written demand sent by FSF by email or registered post informing the recipient of the below consequences, FSF will be entitled to deregister the intermediary in question and notify the players and clubs represented by the intermediary that the intermediary is no longer entitled to engage in intermediary activity.

## **6. Representation contract**

6.1 An intermediary is allowed to act as an intermediary for a player or a club only if he has entered into a written representation contract with the player or the club. A FSF registered intermediary must use the relevant FSF standard representation contract, which is available in two versions: one for player representation purposes and one for club representation purposes. The two standard representation contracts are attached as an appendix to these regulations.

6.2 The maximum term of a representation contract is 24 months from the date of commencement. A representation contract must not provide for automatic extension of the contract. A representation contract may be renewed by entering and submitting a new contract.

6.3 The representation contract must have real economic content and state the nature and amount of the fee and the date of payment. The intermediary's fee may only be paid by the player or club being a party to the representation contract, but see clause 14.7.

6.4 The representation contract must be drawn up in 3 originals. All originals must be signed by both parties. Players and clubs are responsible for ensuring that all originals reach FSF for registration no later than 5 workdays after signing. If a signed representation contract does not reach FSF in time, it will terminate automatically.

6.5 When registration has been effected, FSF will keep one original and return the second original to the player or the club and the third original to the intermediary.

6.6 Any representation contract concluded between a player under the age of 15 and an intermediary will have no legal effect. A representation contract concluded by a player over the age of 15, but under the age of 18, will have legal effect only if also signed by at least one of the player's guardians.

6.7 A representation contract concluded by a player over the age of 15, but under the age of 18, cannot be non-terminable and will always be terminable by a maximum of 3 months' notice to expire on the last day of a month.

6.8 The provisions in clause 6 will not preclude a player or a club from negotiating and concluding a player contract or a transfer agreement without the assistance of the player's or the club's intermediary. This applies regardless of whether the representation contract is exclusive or non-exclusive.

## **7. The intermediary's rights**

7.1 Subject to the provisions of these regulations, an FSF registered intermediary is entitled to:

7.1.1 approach any player or club who is not under an exclusive representation contract with another intermediary; and

7.1.2 safeguard the interests of any player or club having requested the intermediary to negotiate and conclude a player contract or a transfer agreement on behalf of the player or the club, respectively.

## **8. The intermediary's obligations**

8.1 When entering into a representation contract with a player or a club, the intermediary must provide proof that he is already registered with FSF or that he has submitted an application for registration no later than on signing the representation contract.

8.2 An FSF registered intermediary must:

8.2.1 comply with all rules and regulations issued by FSF, UEFA or FIFA;

8.2.2 ensure that all transactions carried out with his assistance comply with the provisions of the rules and regulations mentioned above;

8.2.3 never approach a player who is under a contract with a club, for the purpose of persuading him to terminate the contract prematurely or otherwise act contrary to the player's rights and obligations under the player contract;

8.2.4 before as well as after signing the representation contract, notify the player or the club in writing of any potential or actual conflicts of interest. If an intermediary gives prior written notice to all parties involved of any potential or actual conflict

of interest which the intermediary may have with one or more of the parties involved, and if all parties involved give their explicit written consent for the intermediary to commence and conclude negotiations notwithstanding such conflict, the conflict thus disclosed will not be considered to be contrary to the intermediary's duties;

- 8.2.5 only represent one of the parties in the negotiation of a player contract or a transfer agreement, and he must not have a representation agreement or shared interests with any of the other parties involved in the player contract or the transfer agreement or with an intermediary representing such party;
  - 8.2.6 if so requested by FSF, UEFA or FIFA, submit all documents requested and other relevant materials as well;
  - 8.2.7 ensure that the player contracts and transfer agreements concluded with his assistance contain his name and signature;
  - 8.2.8 not take on more assignments, whether for players or clubs, than he is capable of performing in a proper manner in accordance with this circular; and
  - 8.2.9 keep a record of his transactions and in that connection especially make sure that he is able at any time to procure documentation and other proof of his activities, including of the amount of fees earned and who paid them.
- 8.3 The prohibition in clause 8.2.5 does not apply if a player and a club wish to be represented by the same intermediary in the same transaction, and if the conditions in clause 8.2.4 are satisfied. For such dual representation to be allowed, the player and the club must agree in writing whether the intermediary's fee will be paid by the player or the club or any combination of the two, and the parties must immediately submit their written consent and such written agreement to FSF as part of the registration process.
- 8.4 An intermediary must at all times keep FSF informed of the names of the persons employed by the intermediary and the group of persons mentioned in clause 4.4.
- 8.5 An intermediary must ensure that employees who are not registered as intermediaries only carry out administrative work in connection with the intermediary activity. Employees who are not registered as intermediaries must not approach any players or clubs to offer their assistance in the negotiation and conclusion of player contracts or transfer agreements or participate in such activities.
- 8.6 An intermediary must organise and prepare his financial reporting in accordance with the laws of the country in which the intermediary activity is carried out.
- 8.7 If so requested by a player or a club, an FSF registered intermediary must be able

to submit invoices showing his fee as well as any costs and other fees involved in representing the player or club in question.

- 8.8 If so requested by FSF, UEFA or FIFA or in connection with a dispute, an FSF registered intermediary must also be able to submit financial statements certified by an accountant, including the vouchers relating to a specific transaction.

## **9. Disciplinary sanctions against the intermediary**

- 9.1 If an FSF registered intermediary fails to fulfil his obligations towards a player or a club under a representation contract or fails to fulfil his obligations pursuant to these regulations, including by violating the rules and regulations issued by FSF, UEFA or FIFA from time to time, FSF will be entitled to impose one or more of the following disciplinary sanctions:

- 9.1.1 Disapproval or reprimand.
- 9.1.2 Fine.
- 9.1.3 Full or partial forfeiture of fees already earned.
- 9.1.4 Suspension of intermediary status.
- 9.1.5 Termination of intermediary status.

- 9.2 FSF must publish sanctions under clauses 9.1.1 – 9.1.5 on its website and notify FIFA of any disciplinary sanctions imposed on intermediaries. FIFA's Disciplinary Committee will then decide whether to extend the sanction to have worldwide effect in accordance with the FIFA Disciplinary Code.

- 9.3 FSF must make all information available to its affiliated clubs and the players registered in those clubs if the information concerns matters which are deemed to be in violation of these regulations and if the information is relevant to the irregularities in question.

- 9.4 If the intermediary's failure to perform his obligations occurs in connection with an international transfer, the power to impose sanctions will be held by FSF where the intermediary in question is subject to FSF's authority. Otherwise, complaints must be submitted to the association with which the intermediary in question is registered.

## **10. The player's obligations**

- 10.1 Before entering into a representation contract with an intermediary, the player must reasonably ensure that there is no potential or actual conflict of interest, but see clauses 8.2.4 and 8.3.
- 10.2 A player who makes use of an intermediary is responsible for ensuring that a representation contract is concluded and then submitted to FSF in accordance with clause 6.
- 10.3 The player must ensure that a player contract which is negotiated and concluded with the assistance of an intermediary contains the name and signature of the intermediary in question. If a player decides not to use an intermediary, this must be clearly stated in the contract.
- 10.4 On renegotiation of a player contract, the player must, if using an intermediary and having concluded a new contract with the intermediary prior to the renegotiations, ensure that the new representation contract is duly submitted.
- 10.5 If any other agreements governing the relationship between the intermediary and the player are concluded in addition to the representation contract and the player contract, including on fees and remuneration of any kind, the player must ensure that such agreements reach FSF no later than 5 workdays after signing.
- 10.6 If so requested by FSF, UEFA or FIFA, the player must submit any additional documentation within a reasonable timeframe.

## **11. Disciplinary sanctions against the player**

- 11.1 If a player fails to fulfil his obligations pursuant to this circular, FSF will be entitled to impose one or more of the following disciplinary sanctions:
  - 11.1.1 Disapproval or reprimand.
  - 11.1.2 Fine.
  - 11.1.3 Ban.
- 11.2 If the player's failure to perform his obligations occurs in connection with an international transfer, the power to impose sanctions will be held by FSF if the player in question is subject to FSF's authority. Otherwise, complaints must be submitted to the association of the player in question.

## **12. The club's obligations**

- 12.1 Before entering into a representation contract with an intermediary, the club must reasonably ensure that there is no potential or actual conflict of interest, but see clauses 8.2.4 and 8.3.
- 12.2 A club that makes use of a FSF registered intermediary is responsible for ensuring that a representation contract is concluded and then submitted to FSF in accordance with clause 6.
- 12.3 The club must ensure that all player contracts and transfer agreements negotiated and concluded with the assistance of an intermediary contain the name and signature of the intermediary in question. If a club decides not to use an intermediary, this must be clearly stated in the player contract or the transfer agreement.
- 12.4 On renegotiation of a player contract, the club must, if using an intermediary and having concluded a new contract with the intermediary prior to the renegotiations, ensure that the new representation contract is duly submitted.
- 12.5 If any other agreements governing the relationship between the intermediary and the club are concluded in addition to the representation contract, the player contract and the transfer agreement, including on fees and remuneration of any kind, the club must ensure that such agreements reach FSF no later than 5 workdays after signing.
- 12.6 If so requested by FSF, UEFA or FIFA, the club must submit any additional documentation within a reasonable timeframe.
- 12.7 If, in connection with a transfer agreement, a club is to pay a transfer fee or compensation to another club in accordance with FIFA's regulations, the club must make such payment directly to the club which is entitled to receive the compensation, see clause 14.

## **13. Disciplinary sanctions against the club**

- 13.1 If a club fails to fulfil its obligations pursuant to this circular, FSF will be entitled to impose one or more of the following disciplinary sanctions:
  - 13.1.1 Disapproval or reprimand.



- 13.1.2 Fine.
  - 13.1.3 Temporary ban on concluding and extending player contracts.
  - 13.1.4 Temporary ban on national and international club transfers.
  - 13.1.5 Exclusion from participation in national and international tournaments.
- 13.2 If the club's failure to perform its obligations occurs in connection with an international transfer, the power to impose sanctions will be held by FSF if the club in question is subject to FSF's authority. Otherwise, complaints must be submitted to the association of the club in question.

#### **14. Remuneration of an intermediary**

- 14.1 An intermediary is only entitled to receive remuneration in respect of a player contract or a transfer agreement if the contract or agreement was concluded for the player or the club with the intermediary's assistance.
- 14.2 The fee of an intermediary representing a player is only calculable as a percentage of the player's gross basic income for the entire duration of the contract. The gross basic income is the player's fixed salary plus any sign-on fees, stay-on fees, sign-off fees, etc. as well as any other one-off amounts agreed by the club and the player on signing of the player contract to be payable to the player by the club on one or more specified dates, e.g. on commencement, on one or more later dates during the term of the contract or on expiry. The player's gross basic income does not include individual or collective bonuses, prizes or the value of fully or partly free benefits such as accommodation, car, travelling, relocation, insurances, telephone, IT, food, subsistence allowances, etc. or any contributions paid to such benefits.
- 14.3 The fee of an intermediary representing a club must only be agreed as a fixed amount, such amount to be set out in the representation contract prior to the conclusion of the player contract or transfer agreement in question.
- 14.4 FSF recommends players and clubs to comply with the below FIFA guidelines concerning remuneration of intermediaries on conclusion of a representation contract:
- 14.4.1 The total amount of remuneration paid by a player to an intermediary representing the player in the negotiation and conclusion of a player contract should not exceed 3% of the player's gross basic income for the entire duration of the player contract in question.

- 14.4.2 The total amount of remuneration paid by a club to an intermediary representing the club in the negotiation and conclusion of a player contract should not exceed 3% of the player's gross basic income for the entire duration of the player contract in question.
- 14.4.3 The total amount of remuneration paid by a club to an intermediary representing the club in the negotiation and conclusion of a transfer agreement should not exceed 3% of the total eventual transfer fee paid in connection with the transfer agreement in question.
- 14.5 Payments to be made by one club to another in connection with a transfer agreement, including transfer fees, training compensation, solidarity contributions and interest in a future transfer fee, must not be paid to or by an intermediary. Any interest in the amounts referred to in this provision cannot be assigned to third parties.
- 14.6 An intermediary is only allowed to receive payment for his services from the party he is representing in the negotiation and conclusion of the player contract or the transfer agreement, but see clauses 8.3 and 14.7.
- 14.7 After the negotiation and conclusion of a player contract and subject to the club's acceptance, the player may consent to the club paying the intermediary on his behalf and at his expense.
- 14.8 An intermediary must not receive any remuneration in relation to the negotiation and conclusion of a player contract or transfer agreement if the player is under the age of 18 when the player contract or the transfer agreement is signed.

## **15. Liability insurance of an intermediary**

- 15.1 An intermediary must take out liability insurance with a reputable insurance company and submit a copy of the policy to FSF.
- 15.2 The insurance must cover the intermediary's professional liability for acknowledged or established claims in connection with his intermediary activity. This applies to claims established pursuant to these regulations and claims established on any other basis.
- 15.3 FSF is entitled to refuse to approve an insurance policy if the conditions in these

regulations are not fulfilled in FSF's opinion.

- 15.4 The minimum limit of the liability insurance is fixed by FSF and is at present DKK 2 million. If the intermediary activity is in the form of a company, professional liability insurance must be taken out on the terms mentioned above for each of the intermediaries.
- 15.5 The professional liability insurance must be taken out for a period of at least 24 months. The intermediary must continuously renew his professional liability insurance by at least 24 months and submit each new policy to FSF as long as he is engaged in intermediary activity.
- 15.6 The professional liability insurance must also cover any claims made after termination of the intermediary activity where the claim relates

## **16. Termination of intermediary activity**

- 16.1 An intermediary who terminates his intermediary activity must deregister with FSF.
- 16.2 On its website FSF will publish the names of intermediaries terminating their activity for whatever reason.

## **17. Governing bodies**

- 17.1 FSF is responsible for the administration of these regulations regarding intermediaries and for ensuring that FSF registered intermediaries conduct their activities in accordance with these regulations and in accordance with the signed intermediary declaration. FSF's authority in this respect is exercised by FSF's administration with an appeal lying to Faroese football's own disciplinary body in accordance with the rules and regulations issued by FSF from time to time.
- 17.2 With regard to any questions relating to intermediary activity which is not governed by these regulations, the General Secretary of FSF has the decision-making authority with an appeal lying to Faroese football's own disciplinary body in accordance with the rules and regulations issued by FSF from time to time.
- 17.3 If an intermediary's, a player's or a club's failure to perform its obligations

occurs in connection with an international club transfer, the power to impose sanctions will be held by FSF if the intermediary, player or club in question is subject to FSF's authority. Otherwise, complaints must be submitted to the association of the intermediary, player or club in question.

## **18. Administrative complaints**

18.1 Complaints against decisions made by FSF's administration in accordance with clause 4 may be brought before Faroese football's own disciplinary body in accordance with the rules and regulations issued by FSF from time to time. Such complaints must be submitted no later than 14 days after receipt of FSF's decision.

## **19. Disciplinary complaints and investigations**

19.1 Disciplinary complaints in accordance with clauses 8-14 may be brought before Faroese football's own disciplinary body if the person complained against is subject to FSF's authority. Otherwise, complaints must be submitted to the association of such person.

19.2 Disciplinary complaints against intermediary activity must be submitted in writing to the relevant football authority no later than 3 years after the matter complained against occurred and no later than 6 months after FSF has posted a notice on its website that the intermediary has terminated his intermediary activity.

19.3 Faroese football's own disciplinary body may commence a disciplinary investigation at its own initiative. Such investigation must be commenced no later than 3 years after the matter(s) investigated occurred. The limitation period is suspended when the disciplinary body takes its first written investigative step.

## **20. Civil law disputes**

20.1 Any civil law dispute between FSF registered intermediaries or between a FSF registered intermediary on the one hand and a player or a club under FSF on the other hand must be submitted to the ordinary courts unless the parties agree to submit the matter to arbitration. The parties are free to use FSF football's own arbitration tribunal (*FSF Gerðarrætturin*) or any other arbitration tribunal to settle their dispute. If the parties decide to use football's own arbitration tribunal,

the dispute must be brought before the tribunal in accordance with the rules and regulations issued by FSF from time to time.

## **21. Appendixes**

21.1 These regulations includes the following appendixes:

Appendix A: Intermediary declaration for intermediary activity as a sole trader.

Appendix B: Intermediary declaration for intermediary activity as a company.

Appendix C: FSF standard representation contract for player representation.

Appendix D: FSF standard representation contract for club representation.

## **22. Commencement and transitional provisions**

22.1 These regulations have been adopted by the FSF Executive Committee on 8 June 2015 on the basis of the FIFA Regulations on Working with Intermediaries, as adopted by the FIFA Executive Committee on 21 March 2014.

22.2 These regulations come into force on 15 February 2016, repealing the FSF regulation on Player Agents with effect from the same date.

22.3 Representation contracts registered by FSF in accordance with the provisions of FSF Regulation on Player Agents then in force will remain in full force and effect until they end according to their terms.

Tórshavn, 15 February 2016

On behalf of the FSF Executive Committee

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