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Lassana Diarra Case

CJEU ruling challenges FIFA rules applicable to the international transfer market for professional football players

CJEU ruling challenges FIFA rules which impose joint and several liability on clubs that hire players who terminate contracts without just cause as it restricts the free movement of workers and competition in the hiring market/free movement between clubs.

The Regulation on the Status and Transfer of Players “RSTP” – in particular, Article 17 – provides that if a footballer terminates his/her sports employment contract without cause:

- an international transfer certificate, an essential document for signing for another Club, will not be issued while the dispute is pending,
- the player and the new Club are jointly and severally liable for paying compensation to the former Club,
- the new Club may incur sporting sanctions.

In the context of a case brought before the Belgian courts between footballer Lassana Diarra, FIFA and the Belgian Football Association, Court of Justice of the European Union (“CJEU”) has been asked to intervene, concluding that the rules laid down in the RSTP:

- **may be considered incompatible with the right to free movement of workers provided for in the Treaty on the Functioning of the European Union (“TFEU”),** as they make the international transfer of athletes disproportionately difficult.
- **discourage and therefore potentially restrict the recruitment of players,** which constitutes a restriction, and even prevention, of cross-border competition in the player recruitment market, and may constitute an infringement of competition law under the terms of the TFEU.

This ruling draw attention to the regimen's weaknesses when it comes to compensation due for the termination of a contract attributable to the athlete, with a significant impact on the transfer market for football players. FIFA has already admitted opening a global dialogue with the key stakeholders with a view to adapt Article 17 of the RSTP.

The full CJEU ruling may be access [here](#).

FIFA's official position may be found [here](#).

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