REGULATIONS ON WORKING WITH INTERMEDIARIES IN UKRAINE

QUESTIONS & ANSWERS

The adoption of the new Regulations on Working with Intermediaries ("FFU Regulations") by the Football Federation of Ukraine ("FFU") will lead to a complete change of the entire system of intermediary services in Ukraine.

Most readers will by now understand the basic principle established by FIFA Regulations on Working with Intermediaries ("FIFA Regulations") – each deal involving the intermediary ("Deal") must be registered at the football association.

This summary is designed to briefly explain basic particularities and unanswered questions you might have about the system of intermediaries in Ukraine.

When the FFU Regulations were adopted in Ukraine?

On 17 April 2015. GOLDENGATE LAW FIRM was a genuine drafter of the Regulations.

On 3 June 2015 the additional provisions on Permanent Intermediary were issued.

What is the scope of application of the FFU Regulations?

Any intermediary activity aimed on (re)negotiation of the employment contract with Ukrainian club or transfer of the player to Ukrainian club is subject to the mandatory FFU Regulations.

Who can be an intermediary in Ukraine?

Besides basic definition under the FIFA Regulations, the FFU implemented additional obligatory requirement for person to lawfully register the Deal with the FFU: the preliminary registration. For this purpose, there would be two regimes:

1. Permanent Intermediary Certificate (PIC)
2. Temporary Intermediary Permission (TIP)

Preliminary registration is mandatory also for attorneys-at-law and legal counsels of the players and clubs who want to act as intermediary. Parents, siblings and spouses of the player exempt from obligation to have prior registration.

What is the maximum intermediary commission?

In Ukraine it constitutes 10% of the contract amount (gross income of the player during the whole period of the contract or the overall amount of transfer fee between the clubs). The lower amount can be agreed upon, but the excess of 10% will be considered invalid.
• How can I get the TIP?
• How the Deal shall be registered in the FFU?
• What sanctions can be imposed for violation of the Regulations?
• Are there any restrictions if the player is a minor?
• Should intermediary disclose any information to the FFU?
• Is it possible to register the Deal without PIC or TIP?
• What can intermediary do if the club or the player is not paying my commission?
• What are the consequences for a person who negotiated the contract for the player without the Permission?

Are there any particular requirements for the Representation Agreement?
- Maximum duration is 2 years for grown-up players and 1 year for minors.
- Exclusive or non-exclusive mandate is deemed as essential term.
- It shall be registered with the FFU.

How can I get the Permanent Intermediary Certificate?
Candidate should pass the exam and be either:
- a citizen of Ukraine with impeccable reputation who lived there for last 3 years; or
- a legal entity with members who have already obtained the Certificate (only such natural persons would be able to act on behalf of the legal entity).

Additional documents required by the FFU for candidate to be allowed to pass exam: application; Ukrainian passport; Ukrainian tax code; Intermediary Declaration (Annex 1 to the FFU Regulations); short bio; certificate from the place of domicile; certificate of the absence of criminal conviction; letter of recommendation from regional federation.

Exams will be held in Ukrainian, usually, in June and November.

What is the fee for the Permanent Intermediary Certificate?
One-time payment of UAH 20 000 (around USD 925).

For how long the Permanent Intermediary Certificate is valid?
The Certificate has no expiration date. Its validity can be suspended or cancelled if the holder commits serious violation of the FFU Regulations.

What are the advantages of the Permanent Intermediary Certificate?
- No need to get permission from FFU for each Deal when acting within Ukraine.
- Lower fee comparing to the Temporary Intermediary Permission.
- Name of the holder is published on the FFU website.
- It is presumed that the holder has impeccable reputation.
- Possibility to resolve disputes at the FFU.

What is the Temporary Intermediary Permission?
Permission that is issued by the FFU once for a particular Deal and for a certain period.

How the Temporary Intermediary Permission should work?
- It will be issued for a particular Deal only.
- The person may have several permissions simultaneously.
- It will be limited in time (till the end of the nearest transfer period).
- If the Deal will not be closed, already paid fee might be returned.

What are the advantages of the Temporary Intermediary Permission?
- Can be obtained by foreigners.
- Name of the holder is published on the FFU website.
- It is presumed that the holder has impeccable reputation.
- Possibility to resolve disputes at the FFU.
How can I get the Temporary Intermediary Permission for a particular Deal?

Till now the FFU has not provided information on how the Temporary Permission will be granted. From unofficial sources candidates will be required to:
- provide recommendation letter from the football association of the country of their nationality (for non-Ukrainians);
- pay registration fee;
- submit application with ID copy.

How the Deal shall be registered in the FFU?

The intermediary and the player or the club shall submit within 10 days after the Deal:
- the Representation Agreement;
- the Intermediary Declaration;
- the copy of the relevant employment contract or transfer agreement.

Intermediary additionally shall submit his permission (Permanent or Temporary).

All documents shall be submitted only in Ukrainian or Russian.

What sanctions can be imposed for violation of the FFU Regulations?

Any persons involved in the Deal (players, clubs and intermediaries) can be sanctioned by the FFU if their actions are in violation of the FFU Regulations (failure to register the Deal; concealment of the information about intermediary’s involvement, about the actual amounts paid to intermediary; involvement of the person without valid permission).

Sanctions vary from a warning and a fine till black-listing of the intermediary.

Are there any restrictions if the player is a minor?

- No fee can be charged by the intermediary.
- The Representation Agreement can be of 1 year maximum.
- No exclusivity clause in the Representation Agreement.
- Express consent of the parents is required for the Representation Agreement.

Should intermediary disclose any information to the FFU?

Any information about each Deal is subject to disclosure to the FFU, which is kept confidential only publishing overall amounts paid by the clubs and the players to intermediaries.

The FFU also publishes the list of the persons holding the Permanent and Temporary Permission, and also the black-list of intermediaries.

How the foreigner may register the Deal at the FFU?

The FFU has made unreasonable restriction that only Ukrainians may pass exam and get Permanent Intermediary Certificate.

Thus the only possibility is to obtain the Temporary Intermediary Permission for each Deal. Unfortunately, the FFU has not disclosed yet the procedure of its obtaining and its estimate cost.
Is it possible to register the Deal without holding the Permission?

Such possibility is excluded by the FFU Regulations.

What can intermediary do if the club or the player is not paying my commission?

Provided the Deal was duly registered and the intermediary obtained PIC or TIP, he might refer to the Control-Disciplinary Committee of the FFU. Procedures are free of charge and are conducted in Ukrainian/Russian language. Recourse to the national courts is forbidden. FIFA is not competent any more to solve the disputes with intermediaries.

Parties to the Representation Agreement may also choose CAS (Lausanne, Switzerland) as a venue to resolve all disputes.

For delay payment interest of 5% per annum shall apply.

Failure to register the Deal and/or to obtain PIC/TIP implies the person may not go to the FFU. However, any other means of resolving dispute will be still available (including CAS). Everything depends on how the Representation Agreement is drafted.

What are the consequences for a person who negotiated the contract for the player without the Permission?

- Intermediary shall not be deemed as such.
- He may not resolve disputes at the FFU.
- Risk of a sanction being imposed on the person and player/club he represents.

However, it is disputable how the person, particularly the foreigner, being out of the scope of FIFA Statutes, can be sanctioned by the FFU.

Everything depends on the scope of services the person provides to his client. Intermediary activity implies representation of the players/clubs in negotiation aimed on entering (renegotiation) of the employment/transfer agreement under the FFU Regulations. If the services are different, such person shall not be deemed as intermediary. Everything depends on how the Representation Agreement is drafted.