

## **Financial Fair Play and Third Party Ownership: A Premier League Handicap Preview**

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This article aims to describe the growing trend of transfers funded to some degree by third party investment funds. Since the Tevez controversy back in 2007, the Premier League (PL) and more recently the Football League (FL) and Football Association (FA) have banned a third party owning an economic interest in a football player who is registered to an affiliated FA club. Recently, Bosman lawyer Jean Marc Dupont, raised concerns about the compatibility of such restrictions with EU law.

This issue becomes even more topical when considered in the context of the UEFA Financial Fair Play Rules (FFPRs). Ostensibly, it would appear that PL clubs wanting to participate in UEFA sanctioned Champions League and Europa League competition are at a real disadvantage because clubs who do not play in the PL are able to take advantage of alternative third party finance arrangements to purchase players. This may have the effect of reducing transfer costs for non-PL clubs thus making it easier for them to break-even under FFPRs.

Although the English football authorities may have thought they had seen the last of third party ownership, an interesting side-effect of the FFPRs has potentially brought the prohibitions back into the limelight. There appears little appetite on the continent for any similar prohibition but the English PL clubs, who originally voted in the restrictions to ensure a Tevez-like scenario could not occur again, may be rethinking their approach at a time when transfer amortisation costs need to be balanced against revenues for FFPR compliance. When certain clubs may need to take radical steps to reduce their cost base to adhere to the FFPRs, non-PL clubs participating in UEFA competition are at a particular advantage.