

THE LEGAL AND ETHICAL IMPLICATIONS OF THIRD PARTY OWNERSHIP IN PROFESSIONAL FOOTBALLER'S RIGHTS

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Abstract

This paper examines the legal and ethical implications of Third Party Ownership (TPO) in professional footballers' rights, a contentious issue in global sports law. TPO refers to contractual arrangements where the economic rights of players are owned, partly or wholly, by third-party entities such as agents, private investors, or corporations. Initially introduced as a financial mechanism to ease clubs' transfer burdens and mitigate investment risks, TPO generated extensive debate due to its effect on player autonomy, contractual freedom, and the integrity of the sport. The article critically assesses the legal frameworks governing TPO, with emphasis on the *Fédération Internationale de Football Association's* (FIFA) 2015 global ban, alongside national legislation and judicial interpretations within the European Union and South American jurisdictions where the practice had been widespread. Employing a doctrinal legal research methodology, it analyzes FIFA regulations, national laws, relevant court decisions, and academic literature, supported by ethical discourse and policy reports. Findings reveal that although TPO provides short-term financial benefits to clubs and investors, it commodifies players, undermines welfare, and fosters conflicts of interest that compromise fairness. Persisting use in certain jurisdictions highlights inconsistent regulations and weak enforcement. The paper recommends stronger oversight, transparency, and international cooperation to protect players' rights.

Keywords: Third Party Ownership, Footballers, FIFA, Transfer and Clubs

1.0 Introduction

Despite *Fédération Internationale de Football Association's* (FIFA) outright proscription on third party ownership in football in 2015, to remove unethical practices and mitigate the controversy surrounding this type of investment in football, Third Party Ownership (TPO), as it is more commonly known, remains a regular occurrence in the football industry in places such as Nigeria.¹ A concise definition of Third Party Ownership also known as TPO is 'a financial interest in the future transfer of a player's registration'. It is a practice, previously widespread in South America, whereby an investor, an individual, a company or a fund otherwise known as the third party would 'invest' in a player, in return for a right to enjoyment of future transfer fees or fees that the player who is the subject of the investment attracts.² The football industry is as of

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¹FIFA, *Regulations on the Status and Transfer of Players* art 18ter (introduced December 2014, in force 1 May 2015) <https://www.icsspe.org/system/files/FIFA%20%20Regulations%20on%20the%20Status%20and%20Transfer%20of%20Players_0.pdf> accessed 5 May 2025.

²B Agbakoba-Onyejiana, 'Third Party Ownership in Football Explained' <<https://oal.law/third-party-ownership-in-football-explained/>> accessed 5 May 2025.

today complex, commercial, industrial and far from the mere pleasure, fun and enjoyment it used to be. Football or soccer as some regions of the world refer to it, is the world's most popular sport. The game is not just a pastime, but also a massive, revenue generating industry. Football as it is today has grown from activities for mere pleasure, enjoyment and fun to complex and commercialized activities. The game of football has been transformed from a semi-commercialized activity in which financial benefactors supported teams and any aim of making financial profit was secondary to the glory of the game to be ruthless business operation. It is interesting to note that football accounts for more than five percent of world trade and some over five million jobs directly and indirectly related to football have been created.³ The business model of clubs starting with the use of traditional instruments for company funding, reflects the demand to increase competitiveness through the adoption of instruments and/or processes aimed at the correct execution of company management, in full observance of relative norms.⁴ The fact that ownership of the rights to the sports performance of players belongs to third parties, compared with the football team in which the players provide their services, represents a very much debated practice, resulting in several problems of a regulatory nature⁵.

1.1 History of Player Ownership

In every European football league, players are permitted to move from one team to another, biannually, in a period known as the transfer window.⁶ Players change teams on a regular basis, similar to stocks traded on the open stock market, but with limited regulation and oversight beyond a standard set of rules promulgated by individual leagues.⁷ This lack of uniformity in league rules has led to different forms of ownership throughout the world, with neighboring countries sometimes having completely disparate regulatory schemes.⁸ Ultimately, many transfers are stalled due to these different leagues creating and enforcing sets of rules that do not align with one another.⁹

The transfer window is open twice within a twelve month period; the summer transfer window is open for just three months, running from early June through the end of August, and the winter transfer window is open only in the month of January.¹⁰ Exact opening and closing dates vary

³ E OOlwononi, 'Is What is Good for the Goose also Good for the Gander? A Diagnostics Appraisal of the FIFA's Proscription of Third Party Ownership of Professional Footballers' Rights. *Kampala International University* 2018 4(4): 111 < <https://ijhumas.com/ojs/index.php/niuujoss/article/view/446> > accessed 5 May 2025.

⁴ S Sordeman, 'Football and Management: Comparisons between Sport and Enterprise'. *London: Pallgrave Macmillan* 2013 <https://www.researchgate.net/publication/316637665_Football_and_Management_Comparisons_between_Sport_and_Enterprise > accessed 5 May 2025.

⁵ *ibid.*

⁶ How a football transfer works, *THE ECONOMIST* (2017) < <https://www.economist.com/the-economist-explains/2017/08/07/how-a-football-transfer-works> > accessed 5 May 2025.

⁷ A G Garry, 'Anti-Competitive Football Leagues' (2023) *Florida Entertainment and Sports Law Review* <<https://scholarship.law.ufl.edu/cgi/viewcontent.cgi?article=1037&context=feslr> > accessed on 5 May 2025.

⁸ INT'L CTR. FOR SPORTS STUDIES, *THIRD-PARTY OWNERSHIP OF PLAYERS' ECONOMIC RIGHTS* (2013) 4 <https://www.eslaa.com/wpcontent/uploads/2020/09/Third_Party_Ownership_of_Player_s_Economic_Rights_pdf.pdf > accessed 5 May 2025.

⁹ *Ibid.*

¹⁰ J Wilkinson, 'When does the transfer window open? When does it close?', *SKY SPORTS*. <<https://www.skysports.com/transfer/news/12691/13336561/summer-transfer-window-2025-dates-when-does-it-open-and-close-deadline-day-and-club-world-cup-window-for-premier-league> > accessed 5 May 2025.

country by country and league by league, but for the most part, the preceding dates are followed by the majority of leagues and nations.¹¹

Normal transfers of footballers operate as common buy-sell transaction. Surprisingly, most negotiations take place through WhatsApp, a mobile phone application.¹² A typical transfer is conducted as follows: team A offers, or bids, a specific amount of money to team B for one of its players, which then accepts or rejects the bid. Depending on the terms of the player's contract, a release clause may be an express term within the contract.¹³ If the value listed in the player's contractual release clause is met by the bidding team, a virtual trigger is flipped and the owing team must permit the player to complete a transfer to the bidding team in exchange for the stated release clause value. If a team bidding for a player meets or exceeds the contractually agreed-upon release clause, the owners of the player's contract are required to accept the sum and allow the player to transfer teams.¹⁴ Alternatively, both sides may come to a fee agreement if no release clause term is contained in the contract or if they waive the release clause. Generally, while team A and team B discuss a fee for the player, team A also negotiates a contract with the player. If all sides come to an agreement, the transfer proceeds, and the player has a new home. This is a very straightforward process when the player is 100 percent owned by team B. but recent trends in smaller leagues throughout the world toward new forms of ownership have thrown a wrench into this simple process.¹⁵

1.2 A Theoretical Approach to Financial Framework in Third Party Ownership

TPO can be attributed at first glance to borrowing from the perspective of the relevant sports company (debt). On the one hand, from the legal point of view, investors of TPO are not give any rights to ownership and control of the sport company. On the other hand, the contractual arrangement provides for a guaranteed interest rate, including (partial) repayment of the financial resources provided by the investor, in the event of a transfer at the usual end of contract.¹⁶ Against the pure debt character of TPO, however, it can be argued that TPO investors can also profit from a performance-related return component when the player is resold. Therefore, they have similarities to partial loan constructions which, in addition to a (low) guarantee interest rate, additionally provide a performance-related bonus and can be allocated to mezzanine financing instruments that are related to debt capital. Furthermore, TPOs have a high degree of individualization (for example, regarding the contract terms), which makes it difficult to distinguish whether TPOs are a classic debt financing instrument or a mezzanine financing instrument. Ideally, an investor or investor pool¹⁷ finance a players' transfer fee and profit

¹¹ Ibid.

¹² Sordeman (n 4).

¹³ Ibid.

¹⁴ Ibid.

¹⁵ G Marcotti, 'The Challenge FIFA Faces Regarding Third-party Ownership' *ESPN* (2016) <<https://cdn.vanderbilt.edu/vu-wp0/wp-content/uploads/sites/78/2019/03/15220224/9.-Bailey-READY-FOR-PRINT.pdf>> accessed 5 May 2025.

¹⁶ T A Herberger, AOehler and F Wedlich, 'Third Party Ownership Arrangements: Is a ban in Football Really Appropriate?' *Journal of Governance and Regulation* (2019) No 3, 47- 57. <https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3719266> accessed 5 May 2025.

¹⁷ Ibid.

directly or indirectly from the obtained cash flows of the resale of the transfer rights. This would be the case when the player get transferred before the contract expires.¹⁸

TPOs offer sports companies the opportunity to invest in its players squad with financial aid from an investor and thus, can share its related investment risks. Additionally, it is an opportunity for smaller sports companies with less financial resources (for example, due to less sponsorships or income from TV contracts) to achieve a more well-adjusted competitive balance with wealthier sports companies. In return, the investor may profit from a potential rise in the players' human capital (e.g an appreciation in the players' market value which results in higher transfer fee in the future). However, it is uncertain whether the investor will realize a gain from a future player transfer and what his return is (depending on the transfer fee). Due to investors' uncertainty of the investment value, even after signing the contract, the investment can be characterized as a credence good in the terminology of information economy.¹⁹ In return, the investor financially participates for his risk-taking depending on whether a transfer occurs before the contract ends, moreover, TPOs are also common in the form of personal leasing contracts, where the investor lends a player to a sports company and gets a usage fee in exchange. If the player is 'lent' to another sports company during the season and a 'rental fee' is due, the investor also benefit financially (at least in proportion to his share the compensation rights). Depending on the terms of the TPO contract, it is also possible that the investment must be repaid partially or entirely by the sport company after the end of the contract, irrespective of a potential player's transfer before the end of the contract. Additionally, it is possible that a fee (interest rate) has to be paid, if the player leaves the sports company after expiration of his contract and no transfer fee exists. With such contract terms, the investor tries to minimize his investment risk.²⁰

TPOs can also be compared with leasing or Asset Backed Securities (ABS) constructions; regarding leasing form, TPOs are basically assigned to the area of personal leasing.²¹ For example, out first illustration is as follows, at season X, an employment contract between sports company A and player P exists. At the end of season X, player P is transferred to sports company B before the original contract ends.²² Therefore, investor I pays the transfer fee to sport company A for sports company B. subsequently, an employment contract between investor I and player P exists at season Y. a personal leasing contract will be established between investor I and sports company B simultaneously. Both contracts have the same duration. Investor I receives payments based on the personal leasing contract and player P plays for sports company B. Investor is the owner of the transfer rights and corresponding future cash flow from player P. if the player P is transferred to sports company C season Z (before the original contract ending), investor I will receive a transfer fee and the leasing contract as the employment contract will be dissolved. However, a TPO can be also interpreted as an ABS. In this case, receivables from potentially future income related to a transfer (for example, transfer fee) are to a special purpose vehicle (SPV) established for this purpose. The receivables are securitized and the related securities are sold to investors. This approach is particularly useful if (in addition to the transfer rights) further

¹⁸ D Geey, 'My Top Ten Tips to Understand Third Party Investment in Football Players' (2014) <<https://www.danielgeey.com/done-deal-blog/third-party-investment-in-football-players-the-basics-the-detail-and-recent-developments>> accessed 5 May 2025.

¹⁹ Ibid.

²⁰ Ibid.

²¹ Ibid.

²² Ibid.

rights and related receivables (for example, marketing rights) should be sold to the SPV and a wider circle of investors should be involved.²³ The second illustration outlines the relevant relationships between the stakeholders who participate in a TPO in the form of an ABS construction. In season X, is a player's transfer from sports company A to sports company B, whereby a transfer fee of company B to company A is to be made, since the original contract between sports company A and the transferred player is not expired. In this transfer, investor I participates indirectly by providing a part of the transfer fee via the Special Purpose Vehicle (SPV) and thus financing sports company B. Therefore, in season X via SPV, a payment is made from investor I to sports company B. In return, the investor I receives securities from the SPV, whereby future receivables result from a potential future transfer fee and act as collaterals. In season Y, player P is employed by sports company B. In season Z, player P will be transferred from sports company B to sports company C before the employment contract ends. Investor I received a part of the realized transfer fee resulting of the purchased securities from SPV.²⁴

1.3 Definition and Characteristics of Third-Party Ownership (TPO)

Third party ownership (TPO) refers to the acquisition of economic rights to sport men and women by a third party from outside sport, who seeks to increase the value of the professional involved. The 'property' of these athletes is divided into shares and sold like any other commodity.²⁵ This practice has developed strongly since the 2000s in certain team sports, particularly football.²⁶ However, given the speculative nature of the transfer market, this third party ownership has existed for a long time, in various forms and names, for example, during the 1960s in Italy and Spain, the 1970s in South America (particularly in Brazil, where it constitutes the main form of football investment) and in Portugal and England in the 2000s.²⁷ The issue of TPO in football remains a live one, despite FIFA's outright proscription in 2015. It reflects the practice, previously widespread in large parts of world football, whereby an investor, the third party would invest in a player, a club or academy, usually by way of a loan, in return for a right to a percentage of the future transfer fee or fees that the player who is the subject of the investment attracts. It is special to football because football is one of the only global sports with an open transfer market whereby players are traded between clubs, and because of the substantial sums that can be exchanged in football transfer fees.²⁸ For example, in 2019 summer transfer window, there were 530 transfer to clubs within FIFA's top 5 football nations (England, France, Germany, Italy and Spain) attracting a total of USD 2,689.7 million²⁹ (approximately EUR 2,450 million) an average of over USD 5 million (approximately 4.55 million) per transfer.³⁰ A third party that had a 30% interest in the future transfer value of a player might easily receive over USD 1.5 million (approximately EUR 1.36 million) on an average European transfer, and the

²³ibid.

²⁴ibid.

²⁵ B Jean-Francois and G Jean-Jacques 'Socio-economics of Sport: Acritical analysis' <<https://www.unilim.fr/ebooks/489> > accessed 5 May 2025.

²⁶ ibid.

²⁷ J Brocard, G Rossi and A Semens, 'Agents sportifs et marches du travail' (Sports Agents and Labour Markets) *Juris Editions* 2019 <<https://www.taylorfrancis.com/books/mono/10.4324/9781315794532/sports-agents-labour-markets-giambattista-rossi-anna-semens-jean-francois-brocard> > accessed 5 May 2025.

²⁸ N De Marco, 'TPO in Football: What it is, how it is developing, and what it should be' Blackstone Chambers: London <https://www.blackstonechambers.com/documents/TPO_in_Football.pdf > accessed 5 May 2025.

²⁹ FIFA 'Big 5 Transfer Analysis, Summer 2019' <https://www.blackstonechambers.com/documents/TPO_in_Football.pdf > accessed 5 May 2025.

³⁰ibid.

sums that can be earned on some of the larger transfer involving tens of millions of dollars, are obviously much higher.³¹

TPO was a common practice in many parts of the world before FIFA banned it – in particular in Latin America and in Spain, Portugal and Italy. It allowed many smaller clubs to compete with bigger clubs by being able to purchase players for less than they would do had there not been third party.³² For example, a young promising player from Latin America could be purchased for a reduced price from a club because a third party with a right to the future transfer value of the player would cover some of the fee to the club or investment in the player.³³ That would allow the player to perform on a bigger stage, provide the club engaging him with a promising player at a reduced price enabling it to compete with bigger clubs, and often lead to the sale of the player to an even bigger club to benefit of the selling club, the third party and the player.³⁴

The main problem with TPO, however, was the risk of Third Party Influence, that is the risk of third party investors influencing the playing or trading policies of the engaging club. Third Party influence leads to a number of other problems potentially undermining the integrity of football, especially where a third party has an interest in a number of players in the same competition, and undermining team stability where third parties are incentivized to force multiple transfers for economic and not football reasons.³⁵ Thus, for many years Third Party Influence, as distinct from Third Party Ownership, was prohibited by FIFA, which provides thus:³⁶

“(1) No club shall enter into a contract which enables the counter club/counter Clubs, and vice versa, or any third party to acquire the ability to influence in employment and transfer-related matters its independence, its policies or the performance of its teams”.³⁷

The focus of this regulation is to influence the third party being in a position to affect the employment or transfer policies of the club employing the player, or indeed the performance of its teams, for example, to influence the selection of players for a match. The prohibition is not only on direct influence itself, but on any contract that enables a party to ‘acquire’ an interest.³⁸

1.4 Third party ownership and the FIFA ban

There have been many different points of view regarding third party ownership from the various leagues and associations around the world. The clubs based in South America claim that third party ownership is an integral part of the football sphere as it aids the clubs in remaining financially solvent, as they do not have the substantial financial backing like European clubs and

³¹ *ibid.*

³² OAL, Third Party Ownership in Football: A Publication of Sports, Entertainment and Technology Practice Group, 2020 < <https://oal.law/wp-content/uploads/2020/02/TPO-Article-1.pdf> > accessed 5 May 2025.

³³ *ibid.*

³⁴ *ibid.*

³⁵ LPastore. ‘Third Party Ownership and Multi-club Ownership: Where Football is Heading for’ Vol. xiv, Fasc 1, 2018. < <https://lombardi-football.com/wp-content/uploads/sites/2/2020/10/Third-Party-ownership-and-multiclub-ownership.pdf> > accessed 5 May 2025.

³⁶ Regulation 18b of the FIFA Regulations on the Status and Transfer of Players.

³⁷ *ibid.*

³⁸ M Stefano, ‘Players No longer Third-Parties: Everything you need to know’ (2011) *Wyscout Blog*. < <https://www.hudl.com/blog/third-party-ownership-football> > accessed 5 May 2025

therefore cannot offer players competitive salaries.³⁹ In contrast, clubs based in Europe are in favour of the ban on third party ownership. These European clubs have significant financial support from both their leagues as well as competitions such as the UEFA Champions League and the UEFA Europa League.⁴⁰ From this stance it can be seen that these clubs will not suffer as big a loss, both financially and competitively, as the clubs in South America.⁴¹

After studies requested by FIFA into the different positions of the various stakeholders in international football, it was decided at a meeting held by the FIFA Executive Committee on the 18th and 19th December 2014.⁴² That new provisions were to be included in the Regulations on the Status and Transfer of Players (RSTP) with the focus being on third party ownership. On the 1st May 2015 FIFA officially banned the practice of third party ownership in the economic rights of football players.⁴³ Although common practice in South America for a long time, the issue of third party ownership was brought under the spotlight in Europe by the transfers of Carlos Tevez and Javier Mascherano to West Ham United from the Brazilian club Corinthians in 2006.⁴⁴ The economic rights of the two players were owned by a number of parties, with Tevez's rights owned by Media Sports Investment (MSI) and Just Sports Inc, while Mascherano's rights were jointly owned by Global Soccer Agencies and Mystere Services Ltd.⁴⁵ At that time, there was no outright ban on TPO, but West Ham was found culpable of breaching rules U6 and U18 of the Premier League regulations.⁴⁶ Following the fallout from these cases, FIFA's Players' Status Committee with a mandate to consult all relevant stakeholders and to analyze possible regulatory options.⁴⁷ As a result, in 2008 FIFA introduced article 18bis of the Regulations on the Status and Transfer of Players (FIFA RSTP),⁴⁸ title Third-party influence on clubs, which read: "No club shall enter into a contract which enables any other party to that contract or any third party to acquire the ability to influence in employment and transfer-related matters its independence, its

³⁹ J Lindholm, "Can I Please Have a Slice of Ronaldo? The Legality of FIFA's Ban on Third Party Ownership" *International Sports Law Journal*, 2016 p. 3. <https://www.researchgate.net/publication/279443550_Can_I_please_have_a_slice_of_Ronaldo_The_legality_of_FIFA's_ban_on_third-party_ownership_under_European_union_law > accessed 5 May 2025.

⁴⁰ The UEFA Europa League, previously called the UEFA Cup, is an annual football club competition organized by UEFA since 1971 for eligible European Football Clubs. Clubs qualify for the competition based on their performance in their national leagues and cup competitions <https://en.wikipedia.org/wiki/UEFA_Europa_League > accessed 5 May 2025.

⁴¹ *ibid.*

⁴² FIFA Circular no. 1464, Regulations on the Status and Transfer of Players – third party ownership of players' economic rights ("TPO")

⁴³ *ibid.*

⁴⁴ G Simon, W Roger & O John 'Sports Law' (2017) 6th edn. Routledge. https://api.pageplace.de/preview/DT0400.9781136588136_A23835736/preview-9781136588136_A23835736.pdf accessed on 6 May 2025.

⁴⁵ The Guardian, 'Why the Premier League banned third-party ownership of players', (2009) <www.theguardian.com/sport/david-conn-inside-sport-blog/2009/jul/14/manchestercity-carlos-tevez > accessed 6 May 2025.

⁴⁶ Regulation U6 stated: "No person may either directly or indirectly be involved in or have any power to determine or influence the management or administration of more than one club." Regulation U18 read: "No club shall enter into a contract which enables any other party to that contract to require the ability materially to influence its policies or the performance of its teams in league matches".

⁴⁷ The Guardian, 'Investors target profit from Football's Talented Youth' <www.theguardian.com/football/2008/dec/10/premierleague > accessed 6 May 2025.

⁴⁸ *ibid.*

policies or the performance of its teams.⁴⁹ The FIFA Disciplinary Committee may impose disciplinary measures on clubs that do not observe the obligations set out in this article”. However, this first attempt of FIFA to regulate TPO was not successful given that this provision, which was the result of a compromise among the stakeholders, was too general to be effective.⁵⁰ As a matter of fact, during the years following its introduction, Art. 18bis FIFA RSTP was easily deceived by investors. This called for the necessity of a total ban, which was decided by FIFA’s Executive Committee on September 2014 and implemented by means of the Circular Letter 1464 of 22nd December 2014.⁵¹ In particular, FIFA first provided a definition of third party, described as a party other than the two clubs transferring “a player from one to the other, or any previous club, with which the player has been registered”.⁵²

Moreover, it provided a new version of article 18bis, para. 1 FIFA RSTP, stating that “No club shall enter into a contract which enables the counter club/counter clubs, and vice versa, or any third party to acquire the ability to influence in employment and transfer-related matters its independence, its policies or the performance of its teams”. In addition, FIFA introduced third party ownership of players’ economic rights, which prevents players and clubs from concluding agreements whereby a third party is entitled to receive financial benefits or any other right in relation to a player’s transfer or a transfer compensation.⁵³ By means of this provision, FIFA definitively banned TPO. In addition, it established the obligation to record in the FIFA Transfer Matching System (TMS) all of the TPO agreements existing at the time of the ban being imposed, and includes Art. 18ter FIFA RSTP among the provisions binding at national level, to be included in each national association’s regulations.⁵⁴ The rationale behind Articles 18bis and 18ter is that no pressure whatsoever should be exerted by third parties upon clubs and players to make a transfer. It must be noted that prior to the FIFA ban, the TPO contracts passed the scrutiny of the Court of Arbitration for Sport (CAS), in a landmark award rendered at the end of a dispute between Doyen Sport Investments – a Maltese private equity fund specialized in financial operations and among the main global investors in TPO- and Sporting Clube de Portugal.⁵⁵ In 2014, the Portuguese club had unilaterally terminated the TPO contract concluded with Doyen Sport Investments, in order not to pay the amount resulting from the transfer of the player Marcos Rojo to Manchester United in 2014.⁵⁶ Sporting Clube de Portugal had argued before CAS that the contract was immoral and that it constrained its sporting policy as the club has been forced to transfer the player.⁵⁷ Nevertheless, CAS rejected these “moral” arguments and privileged the contractual freedom of the parties: as a result Sporting Clube de Portugal was

⁴⁹ *ibid.*

⁵⁰ *ibid.*

⁵¹ ‘Debating FIFA’s TPO ban: ASSER International Sports Law Blog Symposium’ *The International Sports Law Journal*, 2024, 15 (3-4) <https://www.researchgate.net/publication/284247130_Debating_FIFA's_TPO_ban_ASSER_International_Sports_Law_Blog_symposium/references> accessed 6 May 2025.

⁵² *ibid.*

⁵³ Art 18ter FIFA RSTP.

⁵⁴ FIFA: Manual on TPI and TPO in Football agreements <https://www.sennferrero.com/descargaspdf/asuntos-de-interes/202010/Manual_on_TPI_and_TPO.pdf> accessed 6 May 2025.

⁵⁵ CAS 2014/O/3781 & 3782, Sporting Clube de Portugal SAD v. Doyen Sports Investment Limited, Award of 21 December 2015.

⁵⁶ Doyen v Sporting: Doyen’s Pyrrhic Victory at the CAS <<https://www.asser.nl/SportsLaw/Blog/post/doyen-vs-sporting-i-doyen-s-pyrrhic-victory-at-the-cas>> accessed 6 May 2025.

⁵⁷ *ibid.*

condemned to pay Doyen Sport Investments the amounts due in compliance with the TPO contract.⁵⁸ The validity of TPO contracts from the perspective of Swiss law was finally marked by the Federal Supreme Court of Switzerland, which in December 2016 ended the Rojo case by confirming the CAS award.⁵⁹

1.5 Different types of Third Party Ownership

There are three (3) dominant third party ownership models, these are;

- a. Financing third party ownership;
- b. Investment third party ownership; and
- c. Recruitment third party ownership.

1.5.1 Financing Third Party Ownership

This is where a third party, such as an individual, agent, private company or investment fund, grants credit to a club in exchange for a percentage of the economic rights of one or several players.⁶⁰ The club then uses this investment is beneficial to cash-strapped clubs who need to remain liquid and balance their accounts, by using such investment to offset the external and internal expense of the club.⁶¹

1.5.2 Investment Third Party Ownership

This type of third party ownership is the most popular worldwide. It occurs when a club and third party enter into an agreement whereby the third party will pay part of all the transfer fee of a player which the club is interested in but does not have the adequate financial resource to pay for such a transfer, and in return the third party will receive a percentage of the player's economic rights (and therefore a share in the future transfer).⁶² Such co-ownership of the player's economic rights creates a joint venture between the club and the third party. According to this agreement they jointly own these economic rights of the players and are entitled to their respective share in the return of any transfers.⁶³

By way of an illustration, Sporting entered into a third party ownership agreement with Doyen in order to purchase Marcos Rojo from Spartak Moscow. Doyen contributed €3 million and Sporting the remaining €1 million in order to pay Spartak Moscow for the player.⁶⁴ Thus when

⁵⁸ D Antoine 'The TPO Saga before the CAS: Doyen v Sporting' (2016) *Asser International Sports Law Blog* <<https://www.asser.nl/SportsLaw/Blog/post/doyen-vs-sporting-i-doyen-s-pyrrhic-victory-at-the-cas>> accessed 6 May 2025

⁵⁹ Judgment 4a_116/2016 of 13 December 2016.

⁶⁰ B Williams 'The Fate of Third-Party Ownership of Professional Footballers' Rights: Is a Complete Prohibition Necessary?' (2009) *Texas Review of Entertainment and Sports Law* <<https://repository.up.ac.za/server/api/core/bitstreams/24da77ce-5cd7-4a98-aed0-8b2d5fab4c01/content>> accessed on 6 May 2025

⁶¹ W Tyler Hall 'After the Ban: The Financial Landscape of International Soccer After Third-Party Ownership' (2016) *Oregon Law Review* <<https://scholarsbank.uoregon.edu/items/427ba6da-9158-4c96-850d-864f2cf53872>> accessed 6 May 2025.

⁶² *ibid.*

⁶³ *ibid.*

⁶⁴ L Villas-Boas Pires, 'What Has The Marcos Rojo Case Taught Us About Third Party Investment in Footballers?' (2016) *LAWINSPORT* <<https://repository.up.ac.za/bitstreams/24da77ce-5cd7-4a98-aed0-8b2d5fab4c01/download>> accessed 6 May 2025.

Marcos Rojo was transfer from Sporting to Manchester United for €20 million, Doyen received 75% of the transfer fee and Sporting received the remaining 25%.⁶⁵ The duration of Financing and Investment third party ownership agreements are generally linked to the length of the employment contract of that player, and such duration may be increased if the employment contract was to be extended.⁶⁶

(a) Recruitment of Third Party Ownership

These agreements are usually concluded with regards to young players, who are not professionals yet, but have great potential. The club grants a percentage of the economic rights of the talented player to his agent, a company, the player's parents, relative of the player, or even to the player to the club.⁶⁷ The economic rights issued in terms of this type of agreement are usually smaller than the other types of third party ownership, and would usually range between 10%-20% of the future transfer fee.⁶⁸ Such a method of attracting players is not popular in Europe but is more often used in South America where clubs grant percentages to agents with appropriate potential to persuade young players.⁶⁹ This method was alleged to have occurred with star player Neymar, where his parents received an amount of £34 million of the transfer fee when their son transferred from Brazilian club Santos to Barcelona in Spain.⁷⁰

The above three (3) types of third party ownership are the standard models, the most standard models in Europe are financing and investment models, while in South America, the recruitment model seems to be the most widespread.⁷¹

(b) Why Do The Parties Enter Into Third Party Ownership Agreements?

Clubs view third party ownership as a new source of finance which was not available previously. While the traditional streams of income become more difficult to obtain, clubs enter into these different third party ownership models usually demanding inflated interest rates. In essence, clubs are able to maintain the quality of their squad by signing better quality players due to the available finances while sharing such financial liability with a third party.⁷² For the third parties on the other hand, these business models constitute an opportunity to gain significant financial reward with minimal risk. This limited risk is due to clauses in the agreements requiring that the club pay a minimum return on the investment, or the payment of interest, even if the player is not transferred before the end of the player's employment contract. The principal area of risk for third parties lies in the club's solvency.⁷³ Third Party Investment (TPI) in the football industry is where a football club does not own, or is not entitled to, 100 percent of the future transfer value of a player that is registered to play for that team. There are numerous models for third party

⁶⁵ibid.

⁶⁶ibid.

⁶⁷ ibid.

⁶⁸ ibid.

⁶⁹ibid.

⁷⁰ J White, 'Neymar's parents pocketed £34 million for move to Barcelona'. Duncan Edwards' mum got a washing machine. (2014)*The Telegraph* <<https://www.telegraph.co.uk/sport/football/teams/barcelona/10575223/Neymars-parents-pocketed-34-million-for-move-to-Barcelona.-Duncan-Edwards-mum-got-a-washing-machine.html>> accessed 6 May 2025.

⁷¹ibid.

⁷² ibid.

⁷³ ibid.

player agreements but the basic premise is that companies, businesses and and/or individuals provide football clubs or players with money in return for owning a percentage of a player's with money in return for owning a percentage of a player's future transfer value.⁷⁴ This transfer value is also commonly referred to as a player's economic rights. There are instances where entities will act as speculators by purchasing a percentage share in a player directly from a club in return for a lump sum that the club can then use as it wishes.⁷⁵

The Premier League decided that from the beginning of the 2008/2009 season an absolute ban on third party ownership was required. A spokesman stated:

The clubs decided that third-party ownership was something they did not want to see. It raises too many issues over the integrity of competition, the development of young players and the potential impact on the football pyramid. It was felt the Premier League was in a position to take a stand on this. No one wants to see what has happened to club football in South America repeated over here⁷⁶

(c) Why is it a Challenge?

As the Premier League spokesman explained above, their major concerns related to integrity, young player development and money flowing out of the game. An internal FIFA report recently concluded that TPI trapped clubs in a "vicious cycle of debt and dependence" and "posed risks to players and to the integrity of the game".⁷⁷ The main concerns about TPI include:

- i. Conflicts of interests can potentially occur between investors, club owners, agents and coaches.⁷⁸ For example, what if the owner of Club A also owns an economic stake in Player B playing against his club? What if an agent of a manager who buys TPI players is also an advisor of a TPI fund? Regardless of any actual conflict, there is certainly a perceived conflict which may damage the image of the game, public confidence in integrity of competitions and even lead to potential match-fixing or insider trading concerns. Questions continue to be asked over the transparency of the TPI funds and what role they have, if any, in influencing clubs.⁷⁹
- ii. Clubs become reliant on such funding which in turn leads to dependence on external owners to continue to assist in such financing arrangements. As, TPI encourages short-term profit making with economic owners looking to the club to sell its players to realize their 'asset' ahead of purely on-field sporting concerns. The consequence is that the rapid turnover of TPI players at certain clubs means

⁷⁴ D Geey, 'UEFA's Aim to Prohibit Third Party Ownership in Football' < <https://www.danielgeey.com/done-deal-blog/uefa-aim-to-prohibit-third-party-ownership-in-football> > accessed 6 May 2025.

⁷⁵ *ibid.*

⁷⁶ DGeey 'Third Party Player Ownership: the Regulations for Premier League and Football League Clubs for the 2009/10 season'. *Entertainment and Sports Law Journal*, 2016 <<https://www.entsportslawjournal.com/article/id/790/>> accessed 6 May 2025.

⁷⁷ *ibid.*

⁷⁸ W Champion, 'Possible Conflicts of Interest with Agents who Represent Both Player and Coach' <<https://sportslitigationalert.com/possible-conflicts-of-interest-with-agents-who-represent-both-player-and-coach/>> accessed 6 May 2025

⁷⁹ *ibid.*

fans become less loyal to the players who know they will be transferred when the right offer is received.⁸⁰ Clubs are seen as a short term ‘speculation tools’ with the result that money leaves the football family.⁸¹

TPO tends to accelerate the mobility of athletes and increase the price of transfers as third party companies repeatedly seek the highest and fastest earnings possible. In reality, clubs sell players under TPO, not according to their sporting interests, but according to the interest of the third party.⁸² Another consequence is that players are not free to manage their careers as they might wish and are dependent on the will of non-sporting entities.⁸³ Furthermore, the profits generated by TPO are not necessarily reinvested into football. The practice of TPO accounted for 9.5 percent of the turnover of international and domestic football transfers, at 544 million euro (CDES and CIES estimate for 2013). The speculative concerns about the purchase and sale of athletes by the various stakeholders (agents, holding companies, investment funds, etc.) favour the search for short-term profits, independently of the sporting objectives of the clubs, which could lose control of their transfer policy and sporting strategy.⁸⁴ Another disadvantage of third party ownership of players is the conflict of interest that can undermine the integrity and fairness of competitions. Indeed, when third parties hold economic rights to players playing in teams competing at a national and international level, there is a risk of manipulation of results according to the expected profits of player trading.⁸⁵ Moreover, it appears that several of the most important sports agents are also shareholders in investment funds specializing in TPO, with the objective being to organize non-transparent tax evasion circuits.⁸⁶

Finally, the traders commissioned by these investment funds, which are frequently domiciled in tax havens, constitute a portfolio of young talent that can best be sold when they are 23 or 24 years old.⁸⁷ One of the perverse effects of the TPO is the overbidding to acquire these players, often aged 15 or 16, who become the property of these funds even before they have signed their first professional contract.⁸⁸

⁸⁰ M Andrews & P Harrington, ‘Off Pitch: Football’s Financial Integrity Weaknesses, and How to Strengthen Them’. (2016) *CID Working Paper* < https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2746644 > accessed 6 May 2025.

⁸¹ *ibid.*

⁸² The Economic and Legal Aspects of Transfers of Players < <https://ec.europa.eu/assets/eac/sport/library/documents/cons-study-transfers-final-rpt.pdf> > accessed 6 May 2025.

⁸³ *ibid.*

⁸⁴ CAA Base, Key Sports, Stellar Football and Arete Management v. The Football Association Limited < <https://jusmundi.com/en/document/decision/en-caa-base-limited-key-sports-management-ltd-stellar-football-limited-and-arete-management-limited-v-the-football-association-limited-partial-final-award-thursday-30th-november-2023> > accessed 6 May 2025.

⁸⁵ IESE INSIGHT: The Growth and Demise of third-party ownership shows how controversial practice come to be abandoned. < <https://www.iese.edu/insight/articles/football-third-party-ownership-controversy-fifa/> > accessed 6 May 2025.

⁸⁶ European Investigative Collaborations Consortium via Football leaks ‘Illegal Practices in the Sport’ < <https://theblacksea.eu/investigations/football-leaks/football-leaks-the-story-behind-the-data/> > accessed 6 May 2025.

⁸⁷ *ibid.*

⁸⁸ *ibid.*

1.6 Why Is The Practice Important And Necessary?

To counter the arguments set out above, the following points demonstrate are why TPI is so vital for many clubs around the world.

- a. A growing number of clubs cannot compete with the larger commercial and broadcasting deals of the bigger European leagues. Clubs in so-called smaller European leagues, for example, need to leverage their assets and find innovative ways to find competitive advantage for playing against teams in the Champions League.⁸⁹
- b. Purchasing players is an inherently risky business. Clubs with less money to spend would therefore usually be more risk-averse when having to invest heavily in transfers.⁹⁰ One way of limiting such risk, is to share the financial burden. Therefore contracts are entered into between economic owners and clubs to either help the club with the purchase price for a talented individual or free up capital and monetize a current player's value whilst he still remains at the club.⁹¹ In either event, the club benefits from external finance that cushions the club's position if the player is not a world beater. Both the club and the fund then benefit if the player is a success through a large transfer fee received that is shared according to the contract.⁹²
- c. There are various ways to alleviate conflict of interest, integrity and transparency issues. Instead of banning TPI, many believe regulation through a transparent approach to TPI by disclosing a register of interests would alleviate a number of concerns well as making TPI contracts available to FIFA/UEFA to ensure material influence issues are correctly dealt with in the TPI contracts.⁹³

With UEFA and FIFA looking to ban players who are third party owned from playing in their club tournaments, many are questioning whether regulation of the practice rather than an outright ban would be preferable. In addition, some believe that it not a ban but total transparency of the arrangements that is required.⁹⁴ This could even be expanded to include a list of the owners of such transfer rights. Such transparency could allow the football family to scrutinize any potential conflicts of interest between, for example, those who the economic rights of a player and those who also own a stake in a football club.⁹⁵

1.7 Player's Autonomy and Exploitation

⁸⁹ C Breuer, TPawlowski&A.Hovermann, 'Top clubs' performance and the competitive situation in European Domestic Football Competitions <https://www.researchgate.net/publication/227345104_Top_Clubs'_Performance_and_the_Competitive_Situation_in_European_Domestic_Football_Competitions> accessed 6 May 2025.

⁹⁰ N DPifer, Y Wang, GScremin& J J Zhang 'Contemporary global Football Industry: An Introduction'. <https://www.researchgate.net/publication/327541305_Contemporary_global_football_industry_An_introduction> accessed 6 May 2025.

⁹¹ S Morrow, 'financial fair play: Implications for football club financial reporting'. <https://www.researchgate.net/publication/267009225_Financial_Fair_Play_Implications_for_football_club_financial_reporting> accessed 6 May 2025.

⁹² *ibid.*

⁹³ *ibid.*

⁹⁴ *ibid.*

⁹⁵ *ibid.*

Third party ownership (TPO) agreements allows another entity to become involved during the transfer of a player from one club to another. Under a TPO agreement, the investor will hold a percentage of the economic rights to a player, and the club will usually retain the federative rights (such as the ability to register them with a national association). When a player that is owned under a TPO agreement is sold to another club, the investor will receive a percentage of the fee. TPO is largely a Latin American Phenomenon, which entails that a third party owner will often pay promising young players coming from poorer backgrounds, such as the favelas (Brazilian slums), for the right to represent them in contract negotiations, in return for a stake in any future transfer.⁹⁶ The player benefits from this arrangement because they are paid. Clubs often view TPOs as similar to a finder's fee. As the club will only take a percentage becomes large enough to warrant attention, allowing them to keep talented players, who might otherwise be sold, at the club.⁹⁷ However, TPO is also used by clubs in Europe, primarily Portugal and Spain, to buy players that they might not otherwise be able to afford, owing to one or two major clubs dominating the league. During the 2013/2014 season, Atletico Madrid won Spain's La Liga – reaching the final of the UEFA Champion League, breaking Real Madrid and Fc Barcelona's domestic rule. Although the club is heavily in debt, it recruited a number of players using TPO.⁹⁸ Whether or not this is good depends on if you have a romantic view of underdogs. In 2011, the English premier League notified UEFA that the Premier League's ban on TPO agreements could put it at a competitive disadvantage compared with other European clubs.⁹⁹ This is because when buying a player, a Premier League club would have to account for the whole of the transfer fee when submitting their records to be assessed by UEFA for compliance with its Financial Fair Play regulations. This is in contrast to non-Premier League clubs, which would only have to detail the amount spent in taking a stake in a player, which could be, for example, 50 per cent of the fee.¹⁰⁰

An extreme example of this is demonstrated by the transfer of goalkeeper Roberto Jimenez from Benfica to Real Zaragoza during the 2011 summer transfer window. Zaragoza, which was in administration at the time, paid just €86,000 of the €8.6 million transfer fee, as the deal was almost entirely subsidized by a football investment fund.¹⁰¹ It is perhaps easy to understand the Premier League's argument that such deals distort competition. A 2013 study conducted by accountancy firm KPMG estimates that the market share of players under TPO agreements in Europe's leagues is between 5.1 percent and 7.8 percent. However, many Latin American leagues are structured around

⁹⁶ KGurses, 'Foul Play? The Rise and Fall of Third-Party Ownership as a controversial practice in Football' <<https://journals.aom.org/doi/abs/10.5465/amd.2022.0176?journalCode=amd> > accessed 7 May 2025.

⁹⁷ *ibid.*

⁹⁸ FDell'Aquila, 'Investing in Portuguese Football: A Prime Spot for Multi-Club Ownership' <<https://footballbenchmark.com/w/investing-in-portuguese-football-a-prime-spot-for-multi-club-ownership-> > accessed 7 May 2025.

⁹⁹ *ibid.*

¹⁰⁰ R Walker, 'Premier League Profit and Sustainability regulations explained: what restrictions are there on clubs spending what they want?' < <https://www.skysports.com/football/news/11095/13041990/premier-league-financial-fair-play-rules-explained-what-restrictions-are-there-on-clubs-spending-what-they-want> > accessed 7 May 2025.

¹⁰¹ The Guardian, Transfer dynamics could be on the brink of change <<https://www.theguardian.com/football/2011/aug/11/transfers-roberto-jimenez-benfica-real-zaragoza> > accessed 7 May 2025.

TPO, and will use clubs in countries with linguistic links, such as Spain and Portugal, as a gateway to export footballers to Europe. According to FIFA's Transfer Matching System, 512 Brazilians were transferred between 1 January and 25 February 2015 double that of rival Argentina.¹⁰² In 2013, according to the FIFA database, agents received USD 216 million from clubs in commission arising out of international transfers, writes Eduardo Carlezzo, an attorney with Carlezzo Advogados Associados, in World Sports Law Report. Brazilian clubs, in the same year, earned USD 312 million from international player transfer.¹⁰³

An expected consequence of these numbers would be a large amount of money being paid by Brazilian clubs to agents. Surprisingly, the Brazilian clubs declared on FIFA's electronic Transfer Matching System (TMS) that they paid only USD 400,000 in agent fees. It has to be underlined that the TMS only accepts payments to licensed agents. Therefore, it is clear that the Brazilian clubs have been paying a lot of money to non-licensed agents and these amounts are not included in the declarations on FIFA's TMS. This constitutes financial evidence that, in Brazil, the agent licensing system was not working properly.¹⁰⁴ The whole debate over TPO might have never happened, had it not been for West Ham Football Club. In 2007, West Ham was charged by the Premier League for failing to disclose third party agreements relating to Carlos Tevez and Javier Mascherano. At the time, the Premier League did not ban third party ownership of players as such, but banned agreements that allowed outside bodies to influence the performance of its teams.¹⁰⁵

1.8 Transparency and Accountability

A confidential UEFA-commissioned report into the transfer market concluded money-laundering was widespread and "dominant agents" were exploiting a failure to enforce rules banning third-party ownership. Among the key findings compiled by the Centre for Sports Studies (Cies)- was that third-party ownership of players' economic rights (TPO), banned by FIFA is still a well-established reality.¹⁰⁶ Agents and intermediaries are often at the heart of this kind of arrangement, which in many cases explain from clubs, which states that dominant agents and intermediaries have a solid control on the careers of a greater number of players, notably through third party ownership arrangements, which puts them at advantage in the power game existing with clubs.¹⁰⁷ Fierce competition between teams within a highly unregulated context with no effective enforcement of the few existing rules (ie., TPO ban) creates a climate of suspicion in which clubs are afraid to lose competitiveness by acting in legal and/or ethical ways. The lack of transparency in transfer operations in general, and in the representation market more particularly, puts clubs at

¹⁰² P McCosker, 'The Role of Soft Budgets and Regulations in the Performance of English Premier League Football Clubs 2004 to 2015' <<https://pure.coventry.ac.uk/ws/portalfiles/portal/42065227/McCosker2017.pdf>> accessed 7th May 2025.

¹⁰³ The Guardian, Agents made £155M on International Transfers in 2014. <<https://www.theguardian.com/football/2015/jan/28/agents-international-transfers-2014-fifa>> accessed 7 May 2025.

¹⁰⁴ *ibid.*

¹⁰⁵ V Tom, 'The Controversial Carlos Tevez moment the defined his time at West Ham ahead of Man Utd switch' <<https://www.football.london/west-ham-united-fc/news/controversial-tevez-moment-west-ham-18246274>> accessed 7 May 2025.

¹⁰⁶ *ibid.*

¹⁰⁷ *ibid.*

disadvantage vis-à-vis agents and intermediaries who have easier access to the most relevant information.

While this decision of the Supreme Court adds to the already existing decisions about the independence of the CAS so that this issue can almost be considered as finally settled, the legality of the prohibition of TPO under European law remains far from being definitively confirmed.¹⁰⁸ Indeed, the Brussels Court of Appeal, seized by RFC Seraing in parallel to the proceedings in front of the Swiss Supreme Court, rendered a partial decision on 29 August 2018 affirming that the obligation for soccer clubs to submit to the jurisdiction of the CAS was null and void as the corresponding arbitration clause was overly broad and not limited to a defined legal relationship (Article II of the New York Convention).¹⁰⁹ Now that the objection to jurisdiction raised by FIFA has been rejected, the Belgian court is expected to address whether the prohibition of TPO is lawful under European law. To add complexity to this issue, the FIFA Disciplinary Committee issued a press release on 26 June 2018 indicating that players were not to be considered as “third party” under Article 18ter RSTP, which could trigger the return of TPO in another form. The TPO saga is just beginning and the Swiss Supreme Court decision might turn out to be a pyrrhic victory for FIFA.¹¹⁰

1.9 Conclusion and Recommendations

By adopting these recommendations, the football ecosystem can better safeguard player rights, promote integrity, and uphold the ethical standards of the sport. The followings are the recommendation:

- a. Strict Enforcement of the FIFA ban: National football federations should align fully with FIFA’s ban on Third Party Ownership, ensuring compliance at all levels;¹¹¹
- b. Legal Reform and Monitoring: Clear domestic legislation should be enacted to prohibit Third Party Ownership and impose sanctions for violations. Monitoring bodies must be empowered to investigate and penalize offenders;¹¹²
- c. Player Protection Mechanisms: Players, particularly from vulnerable backgrounds, must be educated and empowered through legal support and awareness campaigns to understand their rights and avoid exploitative contracts;¹¹³
- d. Transparency in Transfers: All football transfer dealings should be subject to stringent disclosure and auditing requirements to ensure ethical compliance;¹¹⁴

¹⁰⁸ S Bianchi, ‘FIFA Ban on Third-Party Ownership: A Pyrrhic Victory for FIFA in Front of the Swiss Federal Supreme Court?’ < <https://arbitrationblog.kluwerarbitration.com/2018/10/01/fifa-ban-on-third-party-ownership-a-pyrrhic-victory-for-fifa-in-front-of-the-swiss-federal-supreme-court/?output=pdf> > accessed 8 May 2025.

¹⁰⁹ *ibid.*

¹¹⁰ *ibid.*

¹¹¹ FIFA, FIFA Circular No. 1464: Prohibition of Third-Party Ownership of Players’ Economic Rights (FIFA 2014) <<https://core.ac.uk/download/pdf/200216784.pdf>> accessed 8 May 2025.

¹¹² FIFA, Regulations on the Status and Transfer of Players, 2015 ed. art 18 <<https://lombardi-football.com/wp-content/uploads/sites/2/2020/10/FINALTRANSFERMARKETTRUEORFALSE.pdf> > accessed 8 May 2025.

¹¹³ D McArdle, ‘Player Transfers, Contracts and TPO: Legal and Regulatory Perspectives’: Sport and Law Journal (2016) 24 (1) <https://www.rdes.it/SLPDJ_1_1_2023-Full%20Number.pdf> accessed 8 May 2025.

¹¹⁴ FIFPro, ‘Position Paper on TPO and Player Rights Protection’ (2016) <<https://www.fifpro.org/media/md2efzpd/universal-declaration-of-player-rights-english-version.pdf>> accessed 8 May 2025.

- e. Stakeholder Collaboration: Governments, football bodies, clubs, and player unions must work collaboratively to develop sustainable financial models that remove the incentive to Third Party Ownership.¹¹⁵

Third Party Ownership (TPO) of professional footballers' economic rights poses significant legal and ethical concerns. Legally, it raises complex issues regarding contractual freedom, player mobility, and regulatory inconsistencies across jurisdictions.¹¹⁶ TPO arrangements often create conflicts of interest, compromise club autonomy, and increase the potential for exploitation and corruption.¹¹⁷ Ethically, it undermines the dignity of players by commodifying their careers and reducing them to tradable assets, often without full consent or understanding of the terms involved.¹¹⁸ The practice has been found to breach principles of fairness, transparency, and player welfare, and has prompted regulatory bans by bodies like FIFA and UEFA.¹¹⁹

¹¹⁵Transparency International, 'Corruption in Sport Initiative: Recommendations for Football Governance' (2018) <<https://www.transparency.org/en/news/sport-integrity> > accessed 8 May 2025.

¹¹⁶A Duval, 'The FIFA Regulations on the Status and Transfer of Players' (2016) *Transnational Law-Making in the Shadow of Bosman*: Springer.<https://www.researchgate.net/publication/303537591_The_FIFA_Regulations_on_the_Status_and_Transfer_of_Players_Transnational_Law-Making_in_the_Shadow_of_Bosman> accessed 8 May 2025.

¹¹⁷S Gardiner, R Parrish & RSiekmann, 'EU, Sport, Law and Policy' Regulation, Re-regulation and Representation: (2012) *TMC Asser Press*.<<https://www.asser.nl/asserpress/books/?rId=4211>> accessed 8 May 2025.

¹¹⁸G Rossi, 'Third-Party Ownership of Players' a Comparative Analysis of FIFA Regulations and Domestic Laws' (2017) *International Sports Law Journal* 17<<https://www.tandfonline.com/doi/full/10.1080/16184742.2025.2474581>> accessed 8 May 2025.

¹¹⁹S Morrow, 'Football Player Contracts, Financial Risk and Third Party Investment: Regulatory Challenges and Reform' (2014)*European Sport Management Quarterly* 14(4) 384.<https://www.researchgate.net/publication/267009225_Financial_Fair_Play_Implications_for_football_club_financial_reporting> accessed 8 May 2025.