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FIFA Regulations on Status and Transfer of Players 2027 Edition: The New Structure of Article 17

By *Enriko Janek & Brunno Couto*

1. Introduction

"A new transfer system must be the result of collective bargaining." This statement by FIFPro in 2025 sums up the vision of players' unions regarding the path forward after the landmark ruling of the European Court of Justice in favour of Lassana Diarra in October 2024.[1]

The 2027 version of FIFA's Regulations on the Status and Transfer of Players (RSTP) now describes itself as reflecting a "joint agreement between the representatives of employees (players and their unions) and employers (clubs and leagues)", developed through a social dialogue process that takes place via the Global Social Dialogue Platform. With the exception of the rules on the release of players to association teams (Annexe 1), this marks the end of FIFA's power to amend the RSTP unilaterally.[2]

As a previous Athlex Sports Journal paper has already covered Article 21bis,[3] this publication will focus on the amendments made to the consequences of breach of contract introduced in the latest version of the RSTP.

2. Consequences of a Breach of Contract

Article 17 of the FIFA RSTP 2027 Edition talks about the consequences of a breach of contract. Unlike in the previous interim version, the new

[1] FIFPro, 'The Lassana Diarra judgement explained: What does it mean for footballers?' (22 May 2025) <https://www.fifpro.org/en/articles/2025/05/the-lassana-diarra-judgement-explained-what-doesit-mean-for-footballers> accessed 30 September 2026.

[2] FIFA, Regulations on the Status and Transfer of Players (January 2027).

[3] Brunno Couto, 'FIFA RSTP Changes: Introduction of Article 21bis "Player Participation in Transfer Fees"' (Athlex Sports Journal, September 2026) <https://www.linkedin.com/posts/athlex-sportsjournal_fifa-rstp-changes-article-21bis-activity-7503030317797244928-Q4MY> accessed 30 September 2026.

Article 17 breaks down compensation into different categories, laying out a clear structure that allows parties to proceed in a predictable way in case of a breach.[4]

2.1 Agreed Compensation

In Article 17(1), FIFA explicitly states that parties are free to contractually agree on financial compensation in case of a contractual breach. In our opinion, liquidated damages clauses will most likely be much more prevalent once these regulations take effect, since they provide an unambiguous pre-agreed structure that mitigates potential opportunities for future disputes. In fact, this practice can be considered precautionary in such situations. Furthermore, the agreement does not need to be reciprocal. On the one hand, this adds flexibility to these clauses and their usage. On the other hand, such wording might create an imbalance in negotiations where one party has much bigger bargaining power than the other. Article 17(1)(b) might introduce a remedy to such a situation, as it says, "The Football Tribunal shall reduce an agreed compensation with restraint and only if it is excessively high. It shall disregard an agreed compensation if it is manifestly unfair." The Football Tribunal acts as a checks and balances tool, as it may provide a remedy to the weaker party in case it was subjected to unequal bargaining power in the negotiations and agreed to a disproportionately unfair clause. Article 17(1)(c) further codifies possible remedies for players earning annual fixed remuneration of USD 150,000 or less. In case of a breach by a club, the liquidated damages granted to a player must be at least equal to the residual value of the contract, unless exceptional circumstances would justify a lower amount. However, it is important to note that FIFA does not specify these "exceptional circumstances", therefore, we will have to wait for FIFA and CAS jurisprudence to obtain further clarification on this matter. Although FIFA does not require liquidated damages clauses to be reciprocal, Article 17(1)(b-c) clearly establishes a framework that shall be used to approach negotiations and drafting, since the substantive fairness reviews will be conducted by the panels/single judges, and they can decide how much to reduce the amount at their discretion.

2.2 Calculation of compensation

When parties did not agree on compensation before, the damages of a breach shall be calculated, accounting

[4] Unless otherwise stated, references to 'Article 17' are to FIFA, RSTP 2027 (n 2) art 17 and references to the 2025 edition are to FIFA, RSTP 2025 (n 5) art 17.

for the damage suffered. A player or a club shall be awarded a full compensation for the damage caused by the breach. If a club breaches a contract, a player shall receive, as compensation for damages, the residual value of the contract or any other damages caused. If a player breaches a contract, a club shall receive, as compensation for damages, the value of the player's services, a lost transfer fee, replacement costs, or any other damage suffered. It is important to note that it is to be assessed by the circumstances of each case. However, both a club and a player shall always be awarded at least an amount equal to the residual value of the contract. The amount might be lower only in exceptional circumstances, which are not specified in this section of the RSTP. In the 2027 edition, the formula appears to be much clearer. The old version only included damage suffered, understood as "positive interest" (damages placing the injured party in the position it would have occupied had the contract been performed), and the circumstances of each case.[5] Further classification can bring more clarity and predictability. The practical usage of these provisions and their impact on the decisions of judicial bodies remain to be seen.

2.3 Penalty Payment

The new edition also introduces a pathway to receive compensation for abusive conduct. In the case of abusive conduct, the damaged party shall receive up to six months' salary. This tool will most likely have a certain level of automaticity, perhaps similar to additional compensation.

2.4 Mitigation of damage

The injured party shall mitigate its damages. If a player finds new employment, the value of their new contract shall be subtracted from the residual value of their previous contract, which was breached by their former club. This applies only to the overlapping periods of both contracts.[6] Mitigation from the club's side is not as straightforward and shall be assessed on a case-by-case basis. This has already been established by CAS jurisprudence.[7]

2.5 Joint and several liability and presumption of inducement

The new club and player shall be held jointly and severally liable for the breach in the event of inducement. Inducement shall be assessed on a case-

[5] FIFA, Regulations on the Status and Transfer of Players (January 2025) art 17(1).
[6] See Sevilla FC SAD v Udinese Calcio SpA (CAS 2010/A/2145, 2146 & 2147).
[7] See Al Wahda FSC v Mourad Batna & Al Jazira FSC (CAS 2020/A/7242).

by-case basis, proven and established on the balance of probabilities. After the Diarra Case, the presumption of inducement and reversed burden of proof were abolished, because they violated Articles 45 and 101 of the Treaty on the Functioning of the European Union ("TFEU").[8] However, this mechanism has been reinstated to a certain extent. Article 17(11) states that "... if the player signs a new contract within 45 days of a breach of contract by the player, it shall be presumed that the new club induced the player to breach the contract. This presumption can be rebutted if the new club can demonstrate, to the comfortable satisfaction of the Football Tribunal, that it did not induce the player to breach the contract." The limit of 45 days is, in our opinion, proportionate. It protects smaller clubs from potential improper approaches by bigger clubs, maybe even tapping up. This should be possible now because a set deadline provides proportionality, the presumption can be rebutted, and both FIFPro and European Football Clubs ("EFC") participated in discussions to create these regulations. If the new club wants to recruit a player within these 45 days, it has to prove to the comfortable satisfaction of the Football Tribunal that no inducement took place, meaning that the burden of proof is reversed.

2.6 Sporting sanctions

In the 2025 edition, it was clarified when sporting sanctions should be imposed on a club and a player. If a player breaches a contract in the protected period, Article 17(12) of the 2027 edition lays down a framework for the same sporting sanctions as Article 17(3) in the 2025 interim edition. If a club breaches a contract, it shall be banned from registering any new players for two entire and consecutive registration periods according to the 2025 interim edition. However, in the 2027 edition, the severity of the sanction shall be escalated based on recidivism within the period of two years, or aggravating circumstances, as established in Article 17(10)(a-f), ranging from a fine and a warning to a registration ban and additional sanctions at the FIFA Football Tribunal's discretion. Separately from the recidivism scale, in case of inducement, either by presumption or when proven to the standard of balance of probabilities, the new club shall be banned from registering any new players for two entire and consecutive registration periods. These changes should introduce room for escalation of the severity of sanctions and give clubs opportunities to remedy their imperfections in the future. The more lenient approach for non-frequent

[8] See Case C-650/22 FIFA v BZ [2024] ECLI:EU:C:2024:824.

offenders might be a double-edged sword, though. It might not be totally detrimental in case of a mistake or poor financial planning, but on the other hand, clubs can take advantage of the system. In such a dynamic industry as football undoubtedly is, we believe that a little room for improvement might prove to be a beneficial tool for smaller clubs which struggle to make ends meet.

3. Conclusion

In conclusion, the new changes appear to be quite positive, especially in light of the perceived crisis that surfaced after the Diarra Case. The updated RSTP has been highly anticipated and thoroughly discussed. This change is broader and is not only about Article 17. Article 17 is the biggest change, and its whole structural definition adds a layer of predictability and certainty via its clear structure and wording. Although the FIFA Football Tribunal and CAS have developed certain jurisprudence on this matter, the Diarra Case uncovered certain elements that needed to be changed. The possibility of escalation of sporting sanctions, a formula to calculate damages, codification of agreed compensation, or return of presumption of inducement (although in a different form) appear to be positive, especially for smaller clubs, which lack resources to invest into proving inducement. The reversed burden of proof in the 45day period creates a degree of certainty. The inclusion of multiple relevant organisations and stakeholders is a step in the right direction. Increased transparency and a reflected voice of stakeholders forming the industry can help to improve the whole system. On the other hand, we need to see how these regulations play out in practice before making any definitive judgements, but on paper, it looks like an improvement.