

## Report calls for Europe's top football clubs to face 'luxury tax'

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A new report that was commissioned by the European Commission (EC) has called on a 'luxury tax' to be imposed on the continent's top football clubs in an effort to introduce more financial equality into the game.



The report, published today by Brussels-based policy consultancy KEA European Affairs and commissioned by the European Union's (EU) regulatory arm, has sought to address the state of the transfer market 17 years after the Bosman ruling and 11 years after the informal agreement between FIFA, UEFA and the EC on the transfer of players. The report reveals that sporting regulation in relation to transfers has contributed to the increase of free movement of professional players but without managing to curb the amount of certain transfer fees.

Research shows that between the seasons 1995-96 and 2010-11, the number of transfers in the EU multiplied by 3.2, from 5,735 to 18,037 per season; while during the same period, the total value of transfer fees multiplied by 7.4, from approximately Eur403 million to more than Eur3 billion per season. The KEA document includes 21 recommendations aimed at improving balanced and fair competition, limiting excessive transfer fees, promoting youth development and protecting minors and improving the governance and dispute resolution system.

KEA said in a statement: "The research team proposes notably the establishment of a 'fair play levy' on transfer fees going above a certain amount. This levy should fund a redistribution mechanism from rich to less wealthy clubs in order to restore some competitive balance. It also recommends a measure to limit transfer fees after the extension of a player's first contract. Such a limit aims to avoid the possibility for clubs to extend the protected period with a view to triggering the payment of excessive transfer fees."

In addition, the document examines the possibility of regulating third-party ownership (TPO) under European law. The European Club Association (ECA), which represents 207 teams on the continent, debated TPO at its general assembly on Tuesday. The practice is prohibited in England's Premier League and France's Ligue 1, but the ECA said there was "no unanimity" amongst members regarding a complete ban, adding that further talks will be held over the implications of such a move.

The National Basketball Association implemented a luxury tax in 1999 as part of that year's collective bargaining agreement between owners and players. It specified a dollar-for-dollar penalty against the teams that exceeded the tax threshold and is set to be further strengthened from the 2013-14 season. The new tax rate has been set on a sliding scale that charges a team a higher rate for each additional \$5 million it exceeds the tax rate.

**Fonte: SportBusiness International. Disponível em:**

**<<http://www.sportbusiness.com/news/187392/report-calls-for-europe-s-top-football-clubs-to-face-luxury-tax>>. Acesso em: 7 Mar. 2013.**