



Information Guide

Training Compensation And Solidarity Contribution

Please note, this Guide is for information purposes only and should not be relied upon as having regulatory or legal force. Any queries regarding the operation of the training compensation or solidarity mechanisms should be directed to the relevant Member Federation in the first instance. FFA may review and publish an updated version of this Guide from time to time.

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1. What is Training Compensation?

Training compensation is a financial reimbursement paid to a player's training clubs when a player signs their first professional contract and/or on each subsequent transfer until their 23rd birthday. A Player's training clubs are considered to be every club that has contributed to their training, starting from the season of their 12th birthday through to the season of their 21st birthday.

2. Domestic Training Compensation

The FIFA Statutes provide that Football Federation Australia (**FFA**) will be responsible for regulating transfers between Clubs in Australia. FFA's National Registration Regulations set out the application of training compensation to the Australian domestic system – see Article 10 generally and in particular Articles 10.3 to 10.4.

2.1 When is domestic training compensation due?

Domestic Training Compensation **IS** due when:

- (a) a Player signs their first Professional Player Contract (currently Prescribed Form NRR 05); or
- (b) an existing Professional, transfers between Clubs and signs a subsequent Professional Player Contract, until the end of the season of their 23rd birthday.

Note: The obligation to pay training compensation involving a subsequent transfer will take place regardless if the transfer occurs during or at the expiry of a Player's Contract.

2.2 When is domestic training compensation NOT due?

Domestic Training Compensation is **NOT** due:

- (a) where the former Club terminates the Player's Professional Player Contract without just cause (Without prejudice to the rights of the previous Club);
- (b) where the Player is transferred to a 'Category C' Club – see below;
- (c) where a Professional reacquires an Amateur status when transferred; or
- (d) for female players.

2.3 Club Categories and Amount of Training Compensation

FFA categorises clubs as follows:

Category A.1	A-League clubs
Category A.2	A-League clubs in their National Youth League / National Premier Leagues capacity

Category B	Clubs other than an A-League club, who are licensed and participating in the National State Premier Leagues
Category C	All other clubs

The amount of Domestic Training Compensation payable by the club to which a Professional is being registered to, is presented in the following table:

First Professional Contract			
<i>Category of last prior Club Player was registered as amateur with</i>	<i>Category of Club Player is signing first professional contract with</i>	<i>Amount of Domestic Training Compensation payable</i>	<i>Pro-rated to all of the Player's junior Clubs</i>
C	C	Nil	N/A
C	B	Nil	N/A
C	A.1	\$5,000	Yes
B	B	\$6,000	Yes
B	A.1	\$10,000	\$5,000 pro-rated and remaining \$5,000 to the last Club Player was registered with
A.2	A.1	\$10,000	Yes

Subsequent Professional Contracts When Transferred			
<i>Category of last prior Club Player was registered with</i>	<i>Category of Club Player is signing a subsequent professional contract with</i>	<i>Amount of Domestic Training Compensation payable</i>	<i>Pro-rated to all of the Player's junior Clubs</i>
C	C	Nil	N/A
C	B	Nil	N/A
C	A.1	Nil	N/A
B	C	Nil	N/A
B	B	\$6,000	No
B	A.1	\$6,000	No
A.1	C	Nil	N/A
A.1	B	Nil	N/A
A.1	A.1	\$6,000	No

2.4 Payment and Use of Domestic Training Compensation

- If Training Compensation is payable, the new domestic club is responsible for paying the full amount to FFA within 30 days of registering the player in accordance with FIFA regulations.
- FFA will distribute the payable amount in accordance with the tables above. Any pro-rata payments will be distributed to all eligible clubs the player has been registered with since the season of the Player's 12th birthday. These are identified by the Player Passport, being a record of the time period in which the player was registered at each club.

- (c) If a club that was entitled to receive these payments is no longer participating in football for any given reason, FFA will receive these funds and reallocate them into National youth development programs.
- (d) No Domestic Training Compensation is payable to an Institute.
- (e) The Training Compensation otherwise payable to Institutes under these Regulations will go to the last Club the Player was registered with prior to that Institute.
- (f) Training Compensation **MUST** be used by a club to further train and educate players.

2.5 Examples

Example 1	Domestic Training Compensation Payable
<p>Josh is a 19-year-old footballer who has played all his junior football in Australia as an amateur. Last year he was registered to Perth Glory's NYL team (Category A2) as an amateur player, however he has now been upgraded to a professional contract with Perth (Category A1).</p> <p>Jamie is moving from a Category A2 club to a Category A1 club, meaning Perth Glory is required to pay \$10,000 to Jamie's junior clubs. All \$10,000 will be pro-rated to Josh's junior clubs based on the length of time spent at each club commencing from the season of his 12th birthday.</p>	<p>Perth Glory will be required to pay \$10,000 in domestic training compensation to Josh's junior clubs.</p>
Example 2	Domestic Training Compensation Payable
<p>Jamie is an 18-year-old footballer who has played all his junior football in Australia as an amateur. Last season he was registered with Sydney Olympic FC (Category B) as an amateur player however he has just signed his first professional contract with Sydney FC (Category A1), meaning domestic training compensation will be triggered.</p> <p>Jamie is moving from a Category B club to a Category A1 club, meaning Sydney FC is required to pay \$10,000 to Jamie's junior clubs. \$5000 will be pro-rated and the other \$5000 will go directly to Sydney Olympic as the last Club he was registered with.</p>	<p>Sydney FC will be required to pay \$10,000 in domestic training compensation to Jamie's junior clubs.</p>

Example 3	Domestic Training Compensation Payable
<p>Bailey is a 20-year-old footballer who played all his junior football in Australia until he was 16. At 16, Bailey moved to the UK and was signed to AFC Wimbledon as an amateur for four seasons. He then returns to Australia to sign his first professional contract with Brisbane Roar.</p> <p>Bailey has not had a continuous registration history in Australia, therefore domestic training compensation will not apply.</p> <p>Note: Brisbane Roar will instead be required to pay international training compensation in accordance with FIFA principles.</p>	<p>Brisbane Roar will not be required to pay domestic training compensation.</p>
Example 4	Domestic Training Compensation Payable
<p>Dennis is a 22-year-old footballer who played all his junior football in Australia. At 18 he signed his first professional contract with Sydney FC (Category A1) for 4 years. At the end of his contract, Dennis signs a professional contract with Central Coast Mariners (Category A1).</p> <p>As Dennis is signing a subsequent professional contact whilst still under the age of 23, domestic training compensation of \$6,000 will be payable to his previous Club, Sydney FC.</p> <p>Note: Sydney FC would have already paid domestic training compensation upon Dennis signing his first professional contract.</p>	<p>Central Coast Mariners will be required to pay \$6,000 in domestic training compensation Sydney FC only.</p>
Example 5	Domestic Training Compensation Payable
<p>Tom is a 22-year-old footballer who played all his junior football in Australia. Two years ago, Tom signed his first professional contract with Adelaide United but was then subsequently released. He then registered to Adelaide City (Category B) in the SA NPL as an amateur player. Tom performs well at NPL level and has now signed a professional contract with Melbourne City FC for the upcoming A-League season.</p> <p>No training compensation is payable to Adelaide City as Tom has re-acquired amateur status when transferring.</p>	<p>Melbourne City will not be required to pay domestic training compensation.</p>
Example 6	Domestic Training Compensation Payable
<p>Sarah is a young footballer who has just signed her first W-League professional contract with Newcastle Jets. She has played all her junior football in Australia.</p>	<p>Newcastle Jets will not be required to pay domestic training compensation.</p>

3. International Training Compensation

3.1 What is International Training Compensation

International Training Compensation works in a similar manner to Domestic Training Compensation, however the amount of compensation payable to and from International Clubs is governed by FIFA Statutes and depends on the specified category of the new Club (outlined below).

3.2 When is international training compensation due?

International training compensation **IS** due when:

- (a) a Player signs their first Professional Contract; or
- (b) an existing Professional, transfers between Clubs and signs a subsequent Professional Contract,

until the end of the season of their 23rd birthday.

Note: The obligation to pay International Training Compensation will take place regardless if the transfer occurs during or at the expiry of a Player's Contract.

3.3 When is international training compensation Not due?

International training compensation is **NOT** due when:

- (a) the former Club terminates the player's contract without just cause (Without prejudice to the rights of the previous);
- (b) the Player is transferred to a Category 4 Club (see below); or
- (c) a Professional reacquires an Amateur status when transferred.

3.4 Responsibility to pay Training Compensation

International Training Compensation will be distributed to:

- (a) all the Player's junior clubs/international clubs on a pro-rata basis in respect of the Player's first professional contract. Payment will be distributed to all eligible Clubs that the Player was previously registered to since their 12th birthday; or
- (b) The Player's immediately previous club in respect of the Player's second or subsequent Professional Contracts when being transferred internationally.

3.5 Costs

The International Training Compensation payable per season is dependent on the specified FIFA category of the new Club. The only exception is that seasons between the Player's 12th - 15th birthday shall automatically incur Category 4 costs. Each category is listed below in the table, indicative of the compensation payable per season:

Confederation	Category I	Category II	Category III	Category IV
AFC		USD 40,000	USD 10,000	USD 2,000
CAF		USD 30,000	USD 10,000	USD 2,000
CONCACAF		USD 40,000	USD 10,000	USD 2,000
CONMEBOL	USD 50,000	USD 30,000	USD 10,000	USD 2,000
OFC		USD 30,000	USD 10,000	USD 2,000
UEFA	EURO 90,000	EURO 60,000	EURO 30,000	EURO 10,000

FFA categorises its Clubs as follows for the purpose of International Training Compensation:

Category 3	A-League clubs
Category 4	All other clubs

3.6 Example Scenario

Scenario Example 1	Training Compensation Payable																				
<p>Jacob is an 18-year-old footballer who has played all his junior football in Australia as an amateur. Josh has been scouted by Manchester City FC and has signed his first professional contract with them.</p> <p>Manchester City are a Category 1 Club from the UEFA confederation therefore training compensation is set at 90,000 Euros per season for his junior Clubs while Jacob was 16 and 17. Compensation will be capped at Category 4 Club rates (10,000 Euros) for each season from ages 12-15.</p> <table border="1"> <thead> <tr> <th>Club</th> <th>Season</th> <th>Status</th> <th>Training Compensation</th> </tr> </thead> <tbody> <tr> <td>Marconi Stallions</td> <td>12th Birthday</td> <td>Amateur</td> <td>10,000 Euro</td> </tr> <tr> <td>Marconi Stallions</td> <td>13th Birthday</td> <td>Amateur</td> <td>10,000 Euro</td> </tr> <tr> <td>Marconi Stallions</td> <td>14th Birthday</td> <td>Amateur</td> <td>10,000 Euro</td> </tr> <tr> <td>Sydney United 58</td> <td>15th Birthday</td> <td>Amateur</td> <td>10,000 Euro</td> </tr> </tbody> </table>	Club	Season	Status	Training Compensation	Marconi Stallions	12 th Birthday	Amateur	10,000 Euro	Marconi Stallions	13 th Birthday	Amateur	10,000 Euro	Marconi Stallions	14 th Birthday	Amateur	10,000 Euro	Sydney United 58	15 th Birthday	Amateur	10,000 Euro	<p>Manchester City will be required to pay 220,000 Euros in training compensation to Jacob's junior clubs.</p>
Club	Season	Status	Training Compensation																		
Marconi Stallions	12 th Birthday	Amateur	10,000 Euro																		
Marconi Stallions	13 th Birthday	Amateur	10,000 Euro																		
Marconi Stallions	14 th Birthday	Amateur	10,000 Euro																		
Sydney United 58	15 th Birthday	Amateur	10,000 Euro																		

Scenario Example 1					Training Compensation Payable
Sydney United 58	16 th Birthday	Amateur	90,000 Euro		
Sutherland Sharks FC	17 th Birthday	Amateur	90,000 Euro		
Manchester City FC	18 th Birthday	Professional	-		
Scenario Example 2					Training Compensation Payable
<p>Frank is a 20-year-old footballer who has played all his junior football in Australia as an amateur. He has recently signed for Chester FC in England on his first professional contract.</p> <p>As Chester FC are a Category 4 training club, no training compensation is payable to Franks junior clubs.</p>					<p>Chester FC will not be required to pay any training compensation to Franks junior clubs.</p>
Scenario Example 3					Training Compensation Payable
<p>Daniel is a 19-year-old footballer who played all his junior football in Australia until he was 18. At 18, Daniel signed his first professional contract with Sydney FC. He played a season with Sydney FC before moving to the UK to sign with Celtic.</p> <p>As this is a subsequent professional contract, Celtic, as a Category 2 UEFA club, will only be required to pay Sydney FC 60,000 Euros in training compensation.</p> <p><i>Note:</i> Daniel's junior Australian clubs would have already been compensated by Sydney FC through the domestic training compensation mechanism when Daniel signed his first professional contract.</p>					<p>Celtic will be required to pay training compensation to Sydney FC only.</p>
Scenario Example 4					Training Compensation Payable
<p>Leon is a 22-year-old footballer who played all his junior football in Germany as an amateur. He has signed his first professional contract with Brisbane Roar (Category 3).</p> <p>As Leon is signing his first professional contact whilst still under the age of 23, training compensation of \$10,000 USD will be payable for every season he has been registered in Germany from his 12th birthday until his 21st birthday.</p>					<p>Brisbane Roar will be required to pay up to \$100,000 USD in training compensation to Leon's junior clubs.</p>

4. Solidarity Contribution

4.1 What is Solidarity?

If a Professional Player is transferred out of the Club before the expiration of their Contract, then 5% of the Transfer Fee paid to the Club must be deducted from the total amount, and forwarded to FFA whereby it will be distributed to all the Clubs involved in that Professional's training and football education between the seasons of their 12th and 23rd birthday.

4.2 When is Solidarity Contribution Payable?

The Solidarity Contribution paid to both Domestic and International Clubs with which the Professional has registered is as follows:

- (a) 5% (or .25% of the compensation) for each season of the 12th - 15th birthday; and
- (b) 10% (or .5% of the compensation) for each season of the 16th – 23rd birthday.

4.3 What is the Payment Procedure?

- (a) The new Club must pay the FFA the Solidarity Contribution within 30 days of the Professional for distribution to the relevant Domestic/International Clubs.
- (b) If a Club which is entitled to receive a Solidarity Contribution has ceased participating in football for any given reason, all funds will be forwarded to FFA and used for National youth development programs.
- (c) The Solidarity Contribution paid to a Club MUST only be used by the Club to further train and educate players.

4.4 Examples

Example 1	Solidarity Payable
<p>Ryan is a 25-year-old footballer who has played all his junior football in Australia as an amateur.</p> <p>When Ryan was 21 he signed his first professional contract with Melbourne Victory. This playing history is outlined in the Player passport below.</p> <p>While he was still under contract, Ryan was purchased by Real Madrid who paid a transfer fee of \$1 million.</p> <p>Real Madrid are required to pay \$50,000 (5% of the transfer fee) to Ryan's junior clubs. This would be calculated as follows:</p>	<p>Real Madrid will be required to pay \$50,000 in solidarity to Ryan's junior clubs.</p>

Example 1				Solidarity Payable
Club	Season	Status	Solidarity Contribution	
Melbourne Knights	12 th Birthday	Amateur	\$2500 (5% of \$50,000)	
Melbourne Knights	13 th Birthday	Amateur	\$2500 (5% of \$50,000)	
Melbourne Knights	14 th Birthday	Amateur	\$2500 (5% of \$50,000)	
South Melbourne FC	15 th Birthday	Amateur	\$2500 (5% of \$50,000)	
South Melbourne FC	16 th Birthday	Amateur	\$5000 (10% of \$50,000)	
South Melbourne FC	17 th Birthday	Amateur	\$5000 (10% of \$50,000)	
South Melbourne FC	18 th Birthday	Amateur	\$5000 (10% of \$50,000)	
Green Gully FC	19 th Birthday	Amateur	\$5000 (10% of \$50,000)	
Green Gully FC	20 th Birthday	Amateur	\$5000 (10% of \$50,000)	
Melbourne Victory	21 st Birthday	Professional	\$5000 (10% of \$50,000)	
Melbourne Victory	22 nd Birthday	Professional	\$5000 (10% of \$50,000)	
Melbourne Victory	23 rd Birthday	Professional	\$5000 (10% of \$50,000)	