

FREQUENTLY ASKED QUESTIONS

- **What are the FIFA Regulations on the Status and Transfer of Players?**

The FIFA Regulations on the Status and Transfer of Players (the “FIFA Regulations” or “RSTP”) establish rules concerning the status of players, their eligibility to participate in organized soccer, and their transfer between clubs belonging to different member associations.

An element of the FIFA Regulations is for clubs (including qualified youth academies) to be compensated for the training and development of players who sign a contract to play professionally with a club in another country. Under the RSTP, a club is compensated when a player, prior to the end of the season of his 23rd birthday, signs his first contract to play professionally in another country (called “Training Compensation”), and when a player is subsequently transferred – at any age – between clubs in different countries before the expiration of his current contract in exchange for a transfer fee (called a “Solidarity Payment”).

- **What is Training Compensation?**

Under the FIFA Regulations, when a player registers as a professional for the first time in a country other than the one where he did his training, the club with which he registers is responsible for paying Training Compensation to every club that contributed to his training, starting from the season of his 12th birthday through the season of his 21st birthday. Additionally, Training Compensation is due on a player’s subsequent international transfer through the season of his 23rd birthday to his immediately prior professional club.

- **How much is a Training Compensation payment?**

Under the FIFA Regulations, Training Compensation is calculated on a sliding scale, based on indicative amounts applicable to the geographic region and the caliber of the club signing the player. The designation of a category for a particular club is determined by how much it spends on youth development, as assessed by the applicable FIFA member association. In the case of MLS Clubs, the relevant FIFA member associations are both the U.S. Soccer Federation (“U.S. Soccer”) and the Canadian Soccer Association (“Canada Soccer”).

The current amounts of annual Training Compensation payments are listed below. FIFA last issued these amounts in 2018, though FIFA may adjust them annually. However, please note that these amounts have not been adjusted since 2001.

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	EUR 90,000	EUR 60,000	EUR 30,000	EUR 10,000

Please note that currently MLS Clubs do not have designated categories. As the FIFA Regulations contemplate the FIFA member associations designating such categories, MLS will cooperate with U.S. Soccer and Canada Soccer to understand which category MLS Clubs would occupy within each federation.

FIFA Regulations do not prohibit a development academy from waiving its right to receive Training Compensation, or modifying the amount received, in the course of negotiations with the club seeking to acquire the player.

- **What is a Solidarity Payment?**

Under the FIFA Regulations, any time that a professional player is transferred (whether on a temporary or on a permanent basis) from a club in one FIFA member association (i.e., a federation) to a club in another federation during the course of his contract, up to five percent of the transfer fee is to be withheld and paid by the club receiving the player proportionally to the club(s) involved in that player's training during the years between his 12th and 23rd birthdays.

Unlike Training Compensation, which is only paid for players who have not yet reached the end of their age-23 season, Solidarity Payments will be due for the duration of a player's professional career, any time he is transferred between federations while under contract and a transfer fee is paid.

- **How much is a Solidarity Payment?**

Under the FIFA Regulations, a Solidarity Payment is up to five percent of a transfer fee and is to be divided proportionally among clubs involved in that player's training and education during the seasons encompassing his 12th and 23rd birthdays. Clubs frequently do not publicly disclose transfer fee, and therefore Solidarity Payment, amounts.

Note that FIFA allows for the transferor and transferee clubs to agree among themselves as to who bears the financial cost of any Solidarity Payment(s), and/or in what proportions. Relatedly, in the same way that it is possible for clubs to waive or modify their right to receive Training Compensation, it is also possible for a club to waive or modify its right to receive a Solidarity Payment.

- **What has changed about MLS's approach to Training Compensation and Solidarity Payments?**

MLS had previously not sought Training Compensation or Solidarity Payments from foreign clubs that signed players developed by the MLS Club academies. In accordance with the FIFA Regulations, MLS will now seek those payments from the applicable foreign clubs.

- **Why has MLS changed its approach to Training Compensation and Solidarity Payments?**

MLS has placed a heightened emphasis on developing and signing homegrown talent in recent years. As part of that initiative, MLS Clubs have invested heavily in player development, spending tens of millions of dollars annually, accounting for hundreds of millions of dollars spent on player development since the MLS academy system launched in 2007. MLS Clubs want to continue to make substantial investments in player development and participating in the Training Compensation and Solidarity Payment system will help them to continue doing that.

Training Compensation and Solidarity Payments received by the League and its Clubs will fund enhancements to MLS player development and provide even more opportunities for young athletes with professional aspirations.

- **Will MLS pay Training Compensation for SuperDraft picks?**

Domestic signings do not entitle a domestic youth club to receive Training Compensation under the FIFA Regulations. Only where the player develops in one country and signs in another would Training Compensation be due.

The FIFA Regulations require that Training Compensation be paid to non-domestic clubs that contributed to the development of a player between the ages of 12 and 21 years old.

FIFA allows for each member association to set in place its own policy and system for domestic Training Compensation and Solidarity Payments. As U.S. Soccer and Canadian Soccer do not have a system in place that requires a domestic professional club to pay Training Compensation to another domestic youth club (whether amateur or professional), only players developed outside the U.S. and Canada would require a Training Compensation payment.

- **What if an MLS Club academy player signs with a professional club that does not pay the FIFA fees? Is he responsible to pay them?**

No. The obligation to pay Training Compensation will fall on the first club that signs a player to play professionally. The obligation to make Solidarity Payments falls on the club that pays the transfer fee. If these obligations are not honored, then they are enforced through the FIFA Dispute Resolution Chamber (“DRC”) against the club that owes them, not against the player.

- **When will MLS clubs begin claiming Training Compensation and Solidarity Payments?**

MLS Clubs will begin claiming Training Compensation and Solidarity Payments on all international registrations and/or transfers of their Academy players that occur on or after April 18, 2019.

- **Will U.S. Soccer or Canada Soccer enforce these payments?**

MLS has kept U.S. Soccer and Canada Soccer apprised of its intentions and ultimately of its decision to participate in this FIFA system, but, as this is a FIFA regulation, any disputes will be referred directly to the FIFA DRC, not to U.S. Soccer or Canada Soccer.

- **Will an MLS Club seek Training Compensation for an academy player who signs with a NASL, CPL or USL club? Similarly, will MLS make Training Compensation payments to non-MLS U.S. or Canadian clubs if a player from such a club signs his first professional contract with MLS?**

In the case of both domestic transfers and domestic signings, Training Compensation would not be due to the MLS Club that trained the player in either instance. Similarly, MLS will not owe Training Compensation when it signs a player who was trained domestically.

Current FIFA regulations apply only to transfers of players between two federations, or to a player trained in one country who signs a contract to play professionally in another country. The FIFA Regulations currently do not apply to domestic transfers or domestic signings.

In the case of cross-border transfers and signings between the U.S. and Canada, MLS will abide by the FIFA Regulations and upon signing a player will remit, and in certain circumstances, will be entitled to receive, Training Compensation.

- **Will MLS make Solidarity Payments to U.S. or Canadian amateur youth clubs if an MLS player is transferred out of MLS?**

Under the FIFA Regulations, it is incumbent on the club receiving the player (paying the transfer fee) to remit Solidarity Payments *pro rata* to each eligible club. MLS Clubs will only claim the portion due specifically to its own academy or academies.

If a non-MLS academy youth club has a rightful claim to a portion of the Solidarity Payment, the MLS Club will only seek its own percentage of the payment. MLS Clubs will NOT receive the full Solidarity Payment to further distribute among non-MLS academy youth clubs.

- **Is there a minimum amount of time a player must spend with a club to be eligible for a club or academy to make a claim for Training Compensation and/or Solidarity Payment?**

Generally speaking, the FIFA Regulations provide for a *pro rata* division of Training Compensation and Solidarity Payments for partial seasons at eligible clubs and academies. See the [FIFA Regulations on the Status and Transfer of Players](#) for additional detail.

- **Will Training Compensation or Solidarity Payments owed by an MLS Club be accounted for on the MLS Club's budget?**

Yes. All player acquisition costs are accounted for in a player's salary budget charge.

- **Will the payments be split between the MLS Club and the League or does the MLS Club maintain 100% of any Training Compensation or Solidarity Payments?**

100% of the Training Compensation and Solidarity Payments will be made directly to the MLS Club as a return on its player development investment.