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## THE TRAINING COMPENSATION SYSTEM

Marco Cusumano · Lawyer · Lafferabogados

### 1. Concept of TC and its actual implementation.

The training and development of young players is fundamental in the world of football. In fact, the considerable social importance of sporting activities and in particular football, legitimates the objective of encouraging the recruitment and training of young players. This approach and recognition of fundamental importance was explicitly confirmed also in the European Union context, in connection with the case *Olympique Lyonnais SASP v Olivier Bernard and Newcastle UFC* (the so called “Bernard case”)<sup>1</sup>. The importance of developing young players is reflected in the FIFA Regulation on the Status and Transfer of Players (hereinafter indicated as “RSTP”) and, in particular, in the detailed system created for the payment of TC<sup>2</sup>. The rationale for FIFA’s training compensation system is to ensure that training clubs are adequately rewarded for the efforts and costs they have invested in training their young players. This concept contributes to what is often referred to as the “trickle down” effect, namely that compensation is distributed from the top of the football pyramid to the very bottom. The suggestion is that this helps maintain the competitive balance between

<sup>1</sup> European Court of Justice (hereinafter referred as “ECJ”) 16 March 2010, C-325/08. Briefly, in this case, the ECJ ruled that a scheme that provided for the payment of compensation was a pr ...