

## FAQs : Player Contracts and Payments

The following Frequently Asked Questions have been prepared in order to assist those reviewing the draft Scottish Domestic Regulation 4.1, *Player Contracts and Payments*. The draft Regulation is available in full from the Consultation section of the Scottish Rugby website, where further information as to the proposals is also available.

If you have a query about these FAQs, or are unsure as to any aspect of the draft Regulation, please do not hesitate Scottish Rugby's Head of Regulation, Graham Ireland (E: [graham.ireland@sru.org.uk](mailto:graham.ireland@sru.org.uk) ; T : 0131 346 5004).

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### Q. Why does Scottish Rugby have a Player Payment Regulation?

Rugby Union's international governing body, World Rugby, has decided that rugby should be an "open sport". This means that, subject to the terms of the World Rugby Regulation and any relevant domestic regulations, players may receive payment or other reward for playing the game (and clubs and others may provide them with such payments / benefits in accordance with the relevant Regulations).

Scottish Rugby supports this principle. However, World Rugby's Regulation also allows individual Unions to regulate player payments in a domestic context. From a Scottish perspective we believe that the long-term health and sustainability of our member clubs is integral to the success of our game and the achievement our Union's core values. Therefore, like a number of other Unions, Scottish Rugby believes that an appropriate degree of additional regulation of player payments is appropriate. This follows on from the work done by the Council's *Standing Committee on Governance* and consultation with clubs.

### Q. Where can I find World Rugby's player payment Regulation?

World Rugby's Regulations can be found on the *Regulations Relating to the Game* section of the World Rugby website. The relevant regulation is WR Regulation 4, *Player Status, Player Contracts and Player Movement*. A link to this website, and the others referred to in this document, can be found in the Appendix to these FAQs.

### Q. Where can I find Scottish Rugby's current player payment Regulation?

All of Scottish Rugby's Regulations are available from the *Rules & Regulations* section of the Scottish Rugby website. The relevant Regulation in this case is SDR 4.1, *Player Status and Player Contracts*.

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### Q. Why is Scottish Rugby planning to change its player payment Regulation?

Scottish Rugby's 2018 AGM asked our Council's *Standing Committee on Governance* to bring forward proposals to regulate the payment of players. The Standing Committee consulted widely on this and established that our clubs believed that financial sustainability and fair competition should be at the heart of our club game. This was reflected in the Report of the Standing Committee published during January 2019.

### Q. What did the Report recommend?

The Report recommended that, other than in a limited number of defined circumstances, ***with effect from Season 2020/21 Scottish clubs must not pay or provide material benefits or other inducements to players to play the game.***

### **Q. In what circumstances will a player be able to be paid or provided with another form of benefit?**

The general prohibition on payment will not apply to those players participating for:

- Edinburgh Rugby and Glasgow Warriors;
- the Super 6 licensee teams; and
- those teams playing in the Scottish Premiership <sup>(Note)</sup>.

Note: The Report recommended that the Premiership exemption should initially be in respect of season 2020/21, with a further review to take place as to whether this should be continued or not.

### **Q. Where can I see a copy of the Standing Committee's Report?**

The player payment recommendations arising from the Report of the Standing Committee are available from the Rules and Regulations section of the Scottish Rugby website.

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### **Q. What will be the requirements in relation to providing players with a contract?**

Any player in receipt of payment or benefits for their participation in the game must be provided with a contract. As a minimum this contract must:

- be in writing;
- clearly set out the duties and obligations of both parties;
- be for a defined period;
- be signed by both parties; and
- comply fully with the terms of SDR 4.1.

### **Q. Are there special rules in respect of players under the age of 18?**

Yes. Players under the age of 16 must not be paid or provided with benefits (though educational bursaries may be permitted in limited circumstances). On the rare occasion that a 16 or 17 year old is to be provided with remuneration for playing, that player's parent or guardian would also be expected to sign any contract.

### **Q. Can a club pay someone in another capacity, such as for being a Coach or Development Officer, and still play them in the club's team?**

Up to two people remunerated by the club in a non-playing capacity will be able to be included in a club's match day squad, but only if:

- no part of the individual's remuneration is in respect of their playing rugby;
- any remuneration they receive in respect of their non-playing role is commensurate with the duties of that role (and the duties actually performed);
- all remuneration provided is accounted for through the club's payroll; and
- the individual(s) concerned are provided with a written contract in respect of the role(s) they are being remunerated for. This contract must not seek to bind the individual to play for the club and the individual must be free to play for another club if they choose to do so.

**Q. Can we arrange for a sponsor or benefactor to pay a player so that they will play for us?**

Payments (wages, match fees, bonuses, etc.) for playing may only be made by the club itself (and not by a third party), and this only where permitted by the Regulation. Non-cash benefits may be provided by third parties (such as sponsors), but only where such a benefit would have been allowed if it had been provided by the club itself i.e. for 2020/21 in respect of Pro Team, Super 6 and Premiership players.

Where any third-party benefits are provided extra obligations arise in terms of record keeping, etc. These are explained in more detail in the Regulation.

The Appendix to SDR 4.1 also provides further detail as to the treatment of various types of benefit.

**Q. How can we tell if a particular type of expense payment or benefit can be provided to a player?**

The Appendix to the draft of SDR 4.1 provides an extensive list showing various types of payment/benefit and their treatment. If at any point a club is unclear as to the appropriate treatment of an item they should contact Scottish Rugby for clarification.

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**Q. What sort of records will a club be expected to maintain in respect of player payments / benefits?**

In addition to maintaining full and comprehensive accounting records, each club will also be expected to provide an *Annual Listing* showing the value of the payments / benefits provided to each player (from whatever source). For the vast majority of clubs this will list no payments (as under the Regulation no payments / benefits will be allowed outwith the Premiership and Super 6).

Each year two senior club office-bearers – any two of the following (or equivalents) : President, Secretary or Treasurer - will be expected to sign a copy of the Annual Listing on behalf of the club to certify its accuracy and completeness, and a signed copy must be returned to Scottish Rugby.

**Q. Are there any other reporting requirements?**

Yes. Each year all clubs will also be required to make an Annual Declaration as to their club's compliance with the Regulation. Again, this will require to be signed by two senior club office-bearers.

**Q. How will Scottish Rugby check that clubs are complying the Regulation?**

Scottish Rugby reserves the right to conduct a compliance audit of any club. This may include reviewing the returns made by individual clubs, interviewing players and club officials, etc. As part of the Regulation Scottish Rugby (or auditors appointed by Scottish Rugby) may request and inspect a club's payment records.

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**Q. What are the consequences if a club or individual fails to comply with the Regulation?**

Failure to comply with the Regulation would constitute an act of Misconduct in terms of the *Scottish Rugby Disciplinary Rules*. Misconduct cases are heard by the independent Disciplinary Committee and can result in a range of consequences including fines, loss of match points and/or suspension from playing or other duties.

A breach of the rules may also cause a player to be ineligible to participate in a particular competition (under that competition's rules), and may result in separate sanction from the relevant Competition Committee (such as loss of competition points, reversal of a result, expulsion from a competition, etc.)

## APPENDIX : Useful Links

Document	Link
Consultations section of the Scottish Rugby website (including the updated draft version of SDR 4.1)	<a href="https://www.scottishrugby.org/rules-and-regulations/open-consultations">https://www.scottishrugby.org/rules-and-regulations/open-consultations</a>
WR Regulation 4: <i>Player Status, Player Contracts and Player Movement</i>	<a href="https://www.world.rugby/handbook/regulations/reg-4">https://www.world.rugby/handbook/regulations/reg-4</a>
SDR 4.1: <i>Player Status and Player Contracts (i.e. the current Regulation)</i>	<a href="https://www.scottishrugby.org/rules-and-regulations/permission-to-play/player-status-and-contracts">https://www.scottishrugby.org/rules-and-regulations/permission-to-play/player-status-and-contracts</a>
Standing Committee on Governance Report (January 2019)	<a href="https://s3-eu-west-1.amazonaws.com/sru-files/McColl_Report_Player_Payment_Recommendation_Jan2019.pdf">https://s3-eu-west-1.amazonaws.com/sru-files/McColl_Report_Player_Payment_Recommendation_Jan2019.pdf</a>
Scottish Rugby Disciplinary Rules	<a href="https://www.scottishrugby.org/rules-and-regulations/discipline/disciplinary-procedures">https://www.scottishrugby.org/rules-and-regulations/discipline/disciplinary-procedures</a>
Scottish Rugby Competition Rules (Note: subject to change for 2020/21)	<a href="https://www.scottishrugby.org/rules-and-regulations/competition-rules">https://www.scottishrugby.org/rules-and-regulations/competition-rules</a>