



Background

On 4 August 2025, the newly created Dutch foundation Justice for Players (JFP) announced that it had launched a class action in the Dutch courts on behalf of current and former professional football players against FIFA and the national football associations of the Netherlands, France, Germany, Belgium, and Denmark.

The claim follows the landmark October 2024 ruling by the Court of Justice of the European Union (CJEU) in <u>C 650/22</u> FIFA v. Lassana Diarra.¹ In that case, the CJEU found that certain provisions of the FIFA Regulations on the Status and Transfer of Players (FIFA RSTP) were unlawful because they restricted competition and the free movement of workers throughout the European Union by:

- Establishing unlawful criteria for the calculation of the amount of compensation a player must pay if they are found to have terminated their contract with their former club without just cause.
- Stipulating that a player's new club was automatically jointly and severally liable for the compensation to be paid by the player to their former club.

- Providing that if a club signs a player who has terminated their previous contract without just cause during a "protected period", the new club shall be (rebuttably) presumed to have induced a breach of contract and shall face a transfer ban as a consequence.
- Requiring that, while a contractual dispute between a player and their former club is ongoing, the national association of the former club may withhold issuance of an International Transfer Certificate (ITC), without which the player cannot transfer to a new club.

According to JFP, preliminary estimates indicate that approximately 100,000 affected players have earned approximately 8% less over the course of their careers than they would have earned but for the unlawful provisions of the FIFA RSTP.² JFP thus seeks compensation for players, which could amount to *billions*.

In this article, we discuss: (i) the JFP class action; (ii) whether similar class actions could be brought by players, agents and/or clubs before the English courts; (iii) whether claims could be brought before the Court of Arbitration for Sport (CAS) and (iv) how such claims might be quantified.

- 1 Morgan Sports Law's summary and analysis of the CJEU's ruling in Diarra is available <u>here</u>.
- 2 See JFP's press release dated 4 August 2025, which is available here.

The JFP class action

The JFP class action has been initiated before the District Court of Midden-Nederland under the Dutch Act on the Settlement of Mass Damages in Collective Action.

It is being brought on behalf of all professional players who have played in the EU or the UK since 2002 (when the unlawful provisions of the FIFA RSTP were introduced) and is premised on the proposition that the FIFA RSTP suppressed players' wages across the EU (and UK) football market.

Players domiciled in the Netherlands are automatically part of the claim, while those based outside the Netherlands (for example, in the UK) can opt in to the claim.

The claim is being fully funded by Deminor, a leading international litigation funder, so players will not have to pay to join the claim and will not assume any of the financial risk.

Certain players—such as Lassana Diarra himself—may also have individual claims against football's governing bodies arising from losses suffered as a direct result of the application of the (unlawful) provisions of the FIFA RSTP—for example, if a specific opportunity to transfer to a new club was lost. It is not clear whether such claims will form part of the JFP class action or will be brought separately.

Could similar claims be brought by players, agents and/or clubs before the English courts?

Post-Brexit, decisions of the CJEU are not binding on the English courts. However, the English courts may have regard to CJEU decisions when deciding cases relating to retained EU law, and it is very likely that the English courts would view the CJEU's decision in *Diarra* as persuasive

authority, given that English competition law is derived from, and remains closely aligned to, EU competition law.

Moreover, class actions are permitted in England and Wales, and various mechanisms exist to facilitate such claims. A class action could be brought before the Competition Appeal Tribunal on either an opt in or an opt out basis.³ Alternatively, players could apply for a group litigation order (GLO) under Part 19 of the Civil Procedure Rules, though group competition claims are seldom brought using GLOs.

Therefore, it would, in principle, be possible for players to bring a class action against FIFA (and, potentially, the Football Association) before the English courts based on the *Diarra* ruling. However, given that players who have played in the UK are eligible to join the JFP class action, such a claim may be unnecessary, provided that such players can ultimately be compensated via the Dutch proceedings.

Nevertheless, certain individual claims—for example, where a player can demonstrate a specific lost employment opportunity resulting from the application of the (unlawful) provisions of the FIFA RSTP—could potentially be brought separately.

Players, though, are not the only potential claimants. Other football stakeholders may also have grounds to bring claims against FIFA if they can demonstrate that they suffered quantifiable financial loss as a result of the unlawful aspects of the FIFA RSTP.

For example, clubs may have grounds to bring claims (whether as a class action or individually) on the basis that they were unlawfully required to pay compensation to a player's former club because they were automatically jointly and severally liable for the player's breach of contract.

Likewise, agents who lost out on commission—either partially, because their client's wages were suppressed, or entirely because a transfer was blocked by, or not pursued due to, the unlawful aspects of the FIFA RSTP—may also have grounds to bring such claims.

³ Given the significant upfront costs, a class action before the Competition Appeal Tribunal may be funded by a litigation funder (as Deminor is doing in the JFP class action). The Supreme Court has held that litigation funding agreements that entitle funders to payment based on the amount of damages recovered are damages-based agreements. Damages-based agreements are banned in opt out claims and are unenforceable for opt in claims unless they comply with certain formalities. Therefore, if litigation funding were to be utilised, any class action before the Competition Appeal Tribunal would likely need to be made on an opt in basis.

The main hurdles for any claims brought on behalf of clubs or agents would be: (i) establishing a causal link between the unlawful aspects of the FIFA RSTP and the loss suffered; and (ii) evidencing and quantifying the financial loss (see further below).

In the authors' view, neither of these hurdles would be insurmountable, so it is quite possible that such claims may be brought.

Could claims be brought by players, agents and/or clubs before the CAS?

The FIFA Statutes contain provisions which purport to: (i) prohibit recourse to ordinary courts except in very limited circumstances; and (ii) require that disputes be resolved by arbitration, either before an independent arbitration tribunal recognised under the regulations of the relevant national football association or before the CAS.

FIFA may therefore attempt to rely on these provisions to challenge the jurisdiction of national courts to hear *any* Diarra follow-on claims (including the JFP class action) and to argue that any such claims should only be heard at CAS.

However, while CAS does allow multiple parties to bring claims jointly if their cases involve common issues of fact and/or law, it does not allow for class actions per se. Nevertheless, given that CAS proceedings can be quicker than proceedings before national courts, it may be that individual claims, from players, agents or clubs, could be heard at CAS.

Quantification of potential claims

Quantifying damages under the now-unlawful provisions of the FIFA RSTP may require two distinct but complementary approaches: one for assessing systemic harm across a broad class of players, and another for quantifying the losses suffered by individual claimants like Lassana Diarra. Both hinge on the question of whether the rules suppressed competition and constrained player mobility, which in turn limited the players' earnings potential.

CLASS-WIDE DAMAGES

At a class level, the core premise is that the unlawful FIFA RSTP provisions artificially depressed player wages by creating friction in the market for talent. JFP posits that these rules reduced players' bargaining power and hindered their mobility across clubs and leagues. Their initial estimate suggests players may have earned around 8% less over their careers as a result.

In professional sport, player wages are often shaped by contractual structures and regulatory frameworks that differ across leagues. While players negotiate individual contracts, their effective leverage may be limited by the financial regulations that are binding on clubs (such as UEFA's Financial Sustainability Regulations (formerly Financial Fair Play), the Premier League's Profitability and Sustainability Rules, and La Liga's Squad Cost Limit) as well as the regulations as to when and on what terms contracts can be signed. Thus, any assessment of the damages arising from the unlawful provisions of the FIFA RSTP must consider how contractual restrictions intersect with the competitive environment.

Any damages analysis must also consider factors that have influenced player wages over the relevant period, including the growth of broadcasting revenues, macroeconomic cycles, and structural differences in revenues and wages across European leagues. It is important to isolate the specific effect of the unlawful FIFA RSTP provisions from these wider market forces.

The analysis must be performed by reference to a counterfactual scenario that reflects a market free of the unlawful FIFA RSTP provisions. To assess such a counterfactual scenario, economic modelling would need to simulate how player earnings and transfers might have evolved under a less restrictive system. This could involve comparing wage trajectories across different leagues, analysing player mobility patterns, or using econometric tools to identify structural change coinciding with the introduction of the rules in 2002.

However, the analysis must also acknowledge that the alleged rationale behind the unlawful provisions of the FIFA RSTP was to promote contractual stability between players and clubs. Such contractual stability may have had a positive effect on club and/or league revenues, to the players' benefit. A thorough damages model would

therefore need to distinguish any negative effects of anti-competitive restrictions from any impacts that may benefit players.

INDIVIDUAL DAMAGES

In contrast, individual damages claims, such as Lassana Diarra's reported claim for €65 million, will likely require more specific evidentiary support. Lassana Diarra's claim arises from a failed transfer, reportedly due to the refusal of his former club (Lokomotiv Moscow) to release his ITC. These claims are, in essence, claims for the loss of a chance, where the player will argue that, but for the unlawful application of the FIFA RSTP, they would have secured a more lucrative contract elsewhere.

Calculating damages in such a claim would involve identifying the specific contract that was lost and the compensation that would have been earned, and comparing it to the player's actual financial outcome. This analysis might extend beyond a player's salary to include image rights, bonuses, or ancillary revenue streams.

In both class and individual claims, financial experts are likely to play a central role in translating the legal findings into quantifiable losses. For class actions, this will mean constructing economic models that can survive scrutiny on causation and robustness. For individuals, it will mean building a credible quantification of losses based on available data and realistic counterfactuals.

Conclusion

The *Diarra* ruling has significantly reshaped the legal context in which FIFA's transfer regulations operate, validating long-held concerns about their impact on player mobility and wage suppression. With the JFP class action already underway in the Netherlands, open to UK-based players on an opt-in basis, the likelihood of a parallel class action by players in the UK appears low.

However, the door remains open for claims by other football stakeholders who may have been similarly affected by the unlawful elements of the FIFA RSTP.

Agents who lost commission due to blocked transfers or suppressed wages, and clubs that incurred unnecessary liabilities or missed out on acquiring talent, could still pursue separate actions.

Whether such claims emerge will depend on the ability of claimants to establish causation and calculate damages with sufficient support. What follows may not be a flood of litigation, but rather a selective and strategic assertion of rights across the football economy.

4 Secretariat's detailed discussion of quantifying economic losses of athletes is available here.

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Ben Cisneros

ASSOCIATE
ben.cisneros@morgansl.com

Ben advises athletes, teams and agents on a wide range of sports-related matters, including anti-doping, disciplinary, regulatory, employment, commercial and reputation/privacy disputes. Ben's work spans many sports, but he has a particular focus on rugby union and leads the firm's dedicated rugby practice. Ben regularly acts as an advocate before sports tribunals, including the Court of Arbitration for Sport, and is also fluent in Spanish.



Sam Kasoulis
ASSOCIATE
sam.kasoulis@morgansl.com

Sam acts on a variety of sports disputes across the firm's practice areas and has particular experience in football-related matters. He regularly advises on compliance with the rules and regulations of football's governing bodies and acts for players, agents and other football stakeholders in proceedings before the Court of Arbitration for Sport and other sports tribunals, as well as the English courts.

MORGAN SPORTS LAW

MORGAN SPORTS LAW is a leading international law firm specialising in resolving sports-related disputes and advising our clients on sports regulatory matters. We focus on protecting athletes' rights, through litigation, arbitration and alternative dispute resolution procedures. We are regularly instructed in some of the world's most high-profile sports disputes and have significant experience in acting before the Court of Arbitration for Sport, the English courts and other international and domestic sports tribunals.



Allan Ingraham

MANAGING DIRECTOR

aingraham@secretariat-intl.com

Allan has provided strategic advice in dozens of high-stakes auctions worldwide, guiding his clients to superior market positions for lower costs. He has developed financial models for collective bargaining in professional sports.



Amran Nawaz

ASSOCIATE DIRECTOR

anawaz@secretariat-intl.com

Amran has a decade of experience in accounting and financial consulting, with specializations in the quantification of damages and valuations in the context of disputes. He has calculated damages involving individual athletes and class action disputes. He is a Chartered Professional Accountant (CPA, CA) and a Chartered Business Valuator (CBV).

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