

Regulation 6 and Club Sustainability



Guidance for clubs

Updated July 2014

1. INTRODUCTION:

In February 2013, the IRFU Committee adopted the recommendations of its Club Sustainability Working Party, which were formulated in response to the findings of widespread consultation through Club Engagement meetings over the course of the 2011-12 season. Those recommendations were borne of a concern for the future sustainability of club rugby in Ireland, especially in the face of escalating player payments in the attempt to remain competitive within what are “domestic” rugby competitions.

The recommendations proposed by the Working Party and agreed by the Committee are as follows (note some of the recommendations are already in place but require to be fully implemented):

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| 1. Compliance | <ul style="list-style-type: none">• A Club Affairs Sub-Committee (similar in status to IRFU Disciplinary Sub-Committee) will be established by the IRFU from 1st August 2013 to examine and monitor club compliance with IRFU regulations. |
| 2. Transfer Payments / Inducements | <ul style="list-style-type: none">• All financial inducements/signing-on fees, including those to school leavers, will continue to be prohibited. |
| 3. Player Expenses | <ul style="list-style-type: none">• From the 2014-15 season all clubs (regardless of status) will be required to submit annually a statement of all financial expenses and non-financial benefits (currently defined as “Material Benefits” in IRFU Regulations) to named players. |
| 4. Player Rewards | <ul style="list-style-type: none">• From the 2014-15 season there will be an immediate ban on the payment of players other than those made by a province (i.e., Academy/ Development Players) and those made to reimburse legitimate expenses. |
| 5. Participation Criteria for AIL | <ul style="list-style-type: none">• From the 2015-16 season clubs wishing to compete in the All Ireland League and Provincial Qualifying Leagues will have to meet minimum participation criteria (as outlined in the Ulster Bank League Review) |
| 6. Academic / Sport Scholarships | <ul style="list-style-type: none">• Any payment made by a university/college rugby club, other than scholarships awarded by university/college authorities, must comply with the new proposals outlined in 4 above. |
| 7. Benefactor/Sponsor | <ul style="list-style-type: none">• Any benefactor/sponsor who supports a club will be required to put his/her money through the club accounts, i.e., he/she will not be permitted to give money directly to players. |
| 8. Payment to Coaches / Player-Coaches | <ul style="list-style-type: none">• Clubs will be encouraged to appoint indigenous IRFU accredited coaches. |
| 9. Overseas Players | <ul style="list-style-type: none">• There will be no change to the regulation(s) with regards the use of an overseas player. However, any reward to an overseas player must lie within the boundaries of 4 above. |
| 10. Other New Proposals | <ul style="list-style-type: none">• From the 2013-14 season there will be no prize money awarded for domestic club leagues/cups. |

Some of the recommendations will involve no change to the status quo; some will mean that existing IRFU regulations are applied more rigorously; some will mean that new processes come into play, both at club level and within the Union as a whole. The purpose of this booklet is to support clubs and players through the implementation of these recommendations.

2. PLAYER REWARDS:

Under IRFU Regulation 6, clubs are prohibited from offering a player of any age (schools players included) any inducement or incentive either to sign for their club, to play for their club, or to stay at their club. These payments are referred to in the regulations as **Signing on Money** and **Retention Money** and, collectively, they are referred to as Material Benefit. The definition of Material Benefit is broad and includes direct and indirect payment of financial and non-financial rewards – thus:

“Material Benefit” means money, consideration, gain, gift or other benefit or advantage (to include but not limited to provision of accommodation whether residential or otherwise, reimbursement or discharge of loans, whether student or otherwise) whatsoever promised or given to a Player or any Third Party, directly or indirectly or in a fiduciary capacity on behalf of such Player, whether in cash, in kind or otherwise, by a Club or any Third Party for having participated in or undertaken or agreed to participate in any game of Rugby Football

The implementation of the Club Sustainability report recommendations in season 2014-15 will mean that, in addition to the prohibition on the payment of Signing on Money and Retention Money, it will also be prohibited to pay match fees and win bonuses. The only payments to players that a club will be permitted to make will be:

- Reimbursement of vouched expenses incurred for reasonable travel and subsistence incurred solely and directly in relation to official Club training, or in relation to the playing of matches – subject to a maximum total to be set by the Union from time to time; or
- Any payment agreed between a player and the Union, or between a player and a Branch

Clubs will still be required at the end of each season to submit a statement to the IRFU certifying that they have complied with the above requirements and restrictions, and providing:

- Details of the expenses rates and totals which have been paid out over the course of the payments made to a player-coach, as per the below)
- Details of the expenses budget have been agreed by the club for the forthcoming season

The format for this statement will be provided within a revised Appendix to IRFU Regulation 6, at Appendix 2. The statement must be signed by club officers (including the Director of Rugby, Head Coach or equivalent) and submitted to the IRFU by 31st August in each year. Again, this will be separate from and in addition to the annual statement of accounts that clubs are required to submit to the IRFU.

An additional requirement will be that each club should report to its Annual General Meeting the nature and extent of the expenses which have been paid to players over the course of the previous season, and the proposed expenses budget to pay over the course of the forthcoming season. The statement submitted to the IRFU by 31st August will carry an affidavit that the AGM has been staged and approved these expenses. The implication of this requirement will be that clubs should schedule their AGM in time for this statement to be completed and submitted to the IRFU by 31st August.

3. PLAYER TRANSFERS:

At present, as stated above, clubs are prohibited from offering a player of any age (schools players included) any inducement or incentive either to sign for their club, to play for their club, or to stay at their club. This prohibition will remain in place and will be rigorously enforced.

When a player wishes to transfer from one club to another, he/she must first complete a form to notify his existing club that this is his intention: the form is to be found within Part 1 of Appendix 4 to IRFU Regulation 6. The Secretary, Director of Rugby or coach of his existing club must also sign the form to signal the club's awareness and acceptance of the player's intention to move.

The player must then take Part 2 of the form to the club he wishes to sign for, and have their Secretary sign it to certify that no Signing on Money or other inducement or incentive has been or will be paid or offered to the player to persuade him to move. The form is then submitted either to the IRFU (when the move is to an AIL club) or to the Branch in which the player's new club is located. The player is not permitted to play for his new club unless or until Part 3 of the form (which is the Union or Branch's acknowledgement that the transfer has been completed to its satisfaction) has been signed off.

No part of this process will be changed by the implementation of the Club Sustainability report – other than some minor changes of wording to the IRFU's Regulation 6.5 and to the transfer forms. The transfer forms will henceforth appear at Appendix 1 to Regulation 6.

There will, however, be the potential imposition of an additional period of grace following the transfer, and during which the Union or the Branch may investigate the transfer if it wishes to do so. During this period the player may not play for his new club, until such time as the Union or Branch gives him permission to do so.

4. OVERSEAS PLAYERS AND PLAYER-COACHES:

i. Overseas players

Regulation 9.14 allows AIL clubs to sign and play one overseas player per season, provided that he has taken up and remains in residence and has been properly registered prior to the 1st October. There will be no change to this regulation through the implementation of the Club Sustainability report – except that the prohibitions regarding the payment of players will apply. That is to say, from the implementation of the Club Sustainability report recommendations in season 2014-15, no overseas player will be permitted to receive any payment other than the reimbursement of vouched and reasonable expenses as per the above.

ii. Player-coaches

At present, coaches can be engaged and remunerated by clubs without restriction – and player-coaches tend to be contracted first and foremost as coaches, so that the payments made to them fall outside of the maximum limits set for player rewards.

The implementation of the Club Sustainability report will change this situation slightly, in that:

- Clubs will continue to be able to engage and remunerate coaches without restriction, as long as any payments made to coaches go through the club's books and are properly declared for the purposes of taxation

- However, when a club wishes to engage a coach who also plays, this will be subject to regulation, as follows:
 - This will only be permitted at first-team level, i.e., the player-coach must play for and coach the club's first team
 - The player-coach must be qualified to a minimum level, i.e., IRFU Level 2 or equivalent
 - The player-coach must have a formal job description and an employment contract, both of which must be submitted to the IRFU for approval
 - The payments made to a player-coach must be recorded as part of the statement which the club submits to the IRFU by 31st August each year, as per the above

5. UNIVERSITY CLUBS:

All of the above restrictions apply to university clubs in the same way that they apply to all other IRFU member clubs. The implementation of the Club Sustainability report will change this situation slightly, in that a university (body) will still be able to provide a player with a bona fide Academic bursary or scholarship as a student at that university, but it cannot be awarded by the University Sports Club. However:

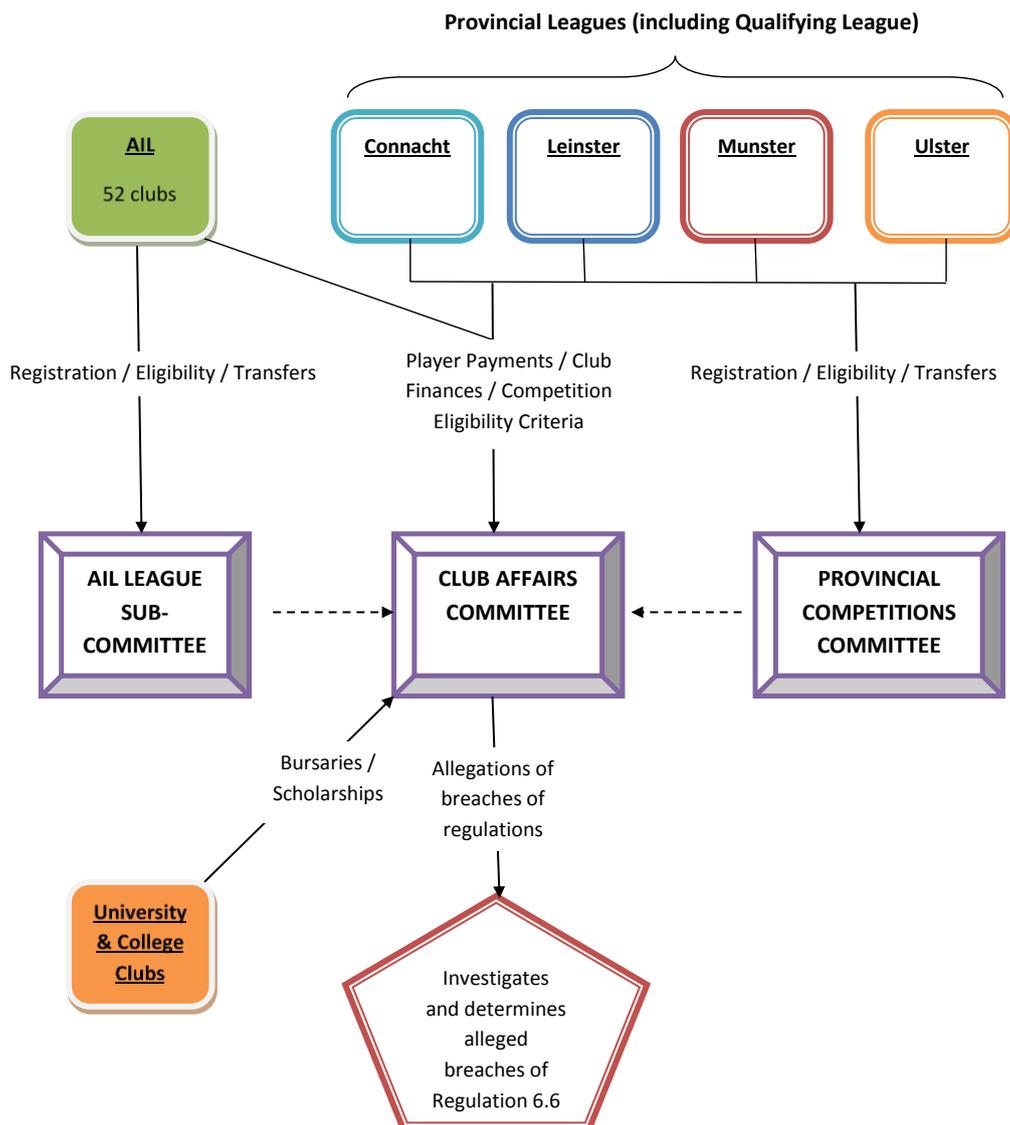
- The prohibition against the payment of Signing on Money, Retention Money, match fees and win bonuses will apply equally to a university club as to any other club (although the reimbursement of vouched and reasonable expenses to an agreed maximum level will be permitted)
- Each university club will still be required to submit to the Union full details of all students receiving a bursary or scholarship before 1st November in each year
- This submission will be investigated to ensure that these bursaries / scholarships are issued for valid academic reasons and not to effect or increase payment for play to any player

6. COMPLIANCE:

At present, Regulation 6.7 puts the onus on a club to raise a complaint in the event that it has reason to believe that another club has breached any of the provisions within this section in respect of player registration, eligibility, transfer or payment. Any breach of IRFU Regulation 6 is to be adjudicated by the Union's Disciplinary Committee. However in summary:

- Complaints in regards to payment and/or inducements will be adjudicated by the Club Affairs Committee, prior to forwarding to the Discipline Committee. In this circumstance, the complaint and the appropriate evidence should be forwarded to Gordon Black, Rugby Administration Manager, C/O IRFU.
- Where such complaints involve AIL clubs, and are concerned primarily with registration, eligibility and transfers, they will be adjudicated by Club Affairs Committee prior to being referred to the IRFU Disciplinary Committee
- Where such complaints involve clubs in leagues at Qualifying League level and below, and are concerned primarily with registration, eligibility and transfers, they will be adjudicated at Branch level and not by the Disciplinary Committee

The Follow chart below outlines the inter relationship between the Club Affairs Committee and Provinces



i. Club Affairs Committee

To monitor Regulation 6, the Club Affairs Committee (CAC) has been established. The CAC is a sub-committee of the Union Committee, and have delegated responsibility for all matters related to the implementation of the Club Sustainability report and the monitoring of clubs' compliance with Regulation 6.

While the CAC will have an overview of matters relating to registration, eligibility and transfers, it will not normally involve itself in these. Instead, monitoring and adjudication of issues relating to these areas will continue to sit within the briefs of the AIL League Sub-Committee and the Branches, depending on the levels concerned.

The CAC will, however, have specific powers and responsibilities in respect of:

- The investigation of club finances, where it has reason to believe that a club may be in breach of regulations
- The scrutiny of individual player transfers, where it has reason to believe that these may be in breach of regulations
- Especially, any alleged breach of Regulation 6.6 in respect of the payment of players

In the event that a complaint is brought to the attention of the CAC, or it has reason to believe that a transaction is in breach of Regulation 6, it will first conduct an investigation to assess the balance of probability as to whether a breach has in fact been committed. If the outcome of the investigation supports a reasonable belief that a breach is evident, then the CAC will refer the matter to the IRFU's Disciplinary Committee for determination. The Disciplinary Committee will then act within the powers and procedures set out for it by IRFU Regulation 5. In the event that a breach is proven, the range of sanctions available to the Disciplinary Committee to impose (subject to the right of appeal) will be as follows:

- A caution, a warning as to future conduct, or a reprimand
- A fine
- The requirement to replay a match at such time and at such venue as is thought fit
- The forfeiture of, and/or the granting to another club or clubs of, the competition points for a match
- The deduction of competition points
- The suspension or expulsion of the club, player or person for such period as may be deemed appropriate
- Such other penalty or sanction as may be deemed appropriate
- The payment of costs

ii. Filing a complaint

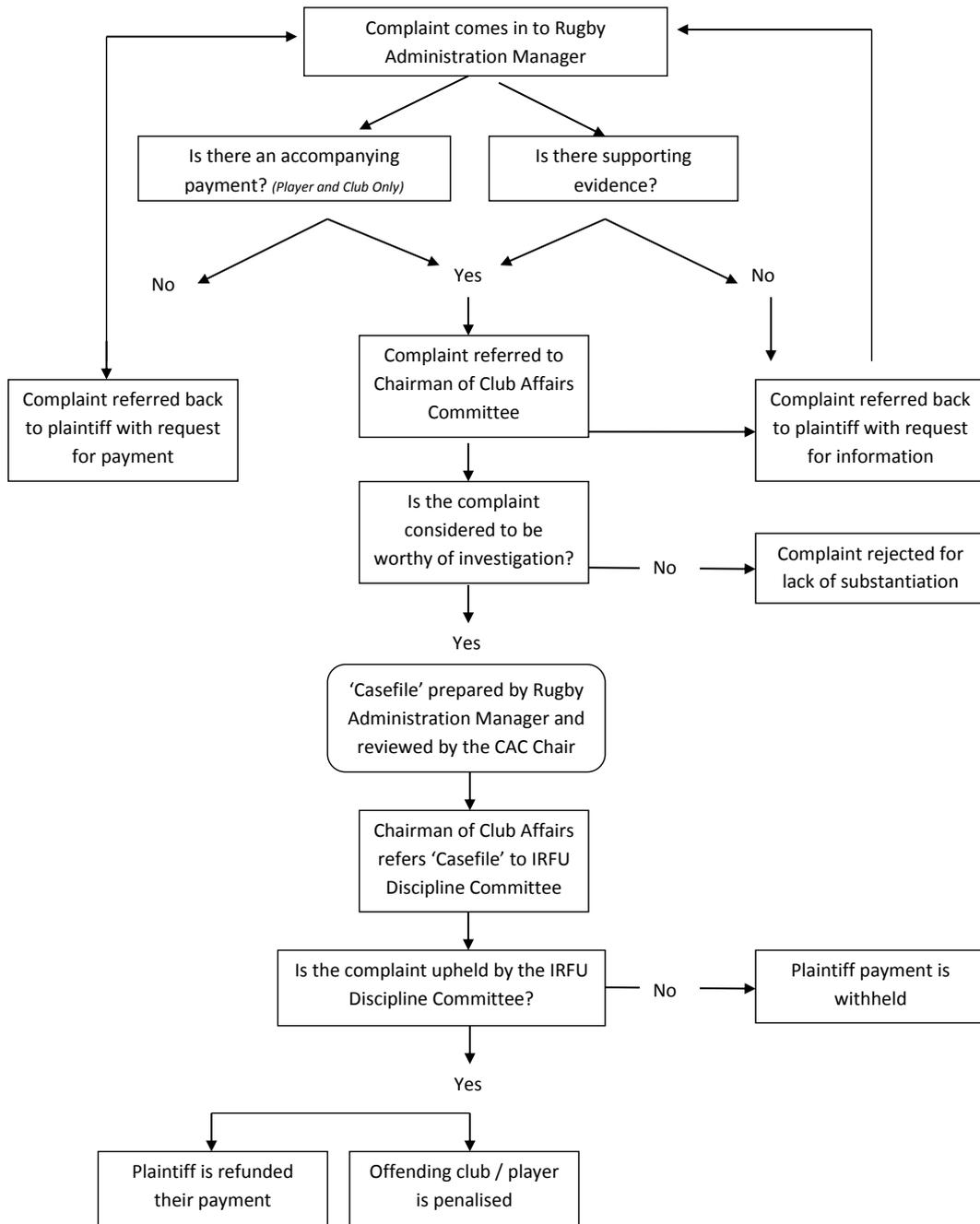
If any club or player has reason to believe that another club, player or related person is involved in the payment of players and therefore in breach of Regulation 6.6, they may file a written complaint with the Union. In order to discourage frivolous complaints, a complaint must be accompanied by a deposit (€500 for a club, €100 for a player or players) and by supporting evidence; it must also be signed off (by the club secretary, or by the player or players – albeit that reasonable endeavours will be made to ensure that any club or player who files a complaint will have their anonymity protected).

If correctly submitted, a complaint will be assessed in the first instance by the Chair of the CAC (via the Rugby Administration Manager), who will have absolute discretion to determine whether the complaint is worthy of further investigation as per the above. For each complaint, the Chair will determine whether:

- The complaint should be pursued on the basis of the supporting evidence submitted
- The complaint requires additional evidence prior to pursuit, in which case this might be either requested from the plaintiff or sourced by the Union through its own resources; or
- The complaint is not worthy of pursuit, due to a lack of compelling evidence

In the event that a complaint is successfully pursued, and a breach of regulations is proven, then the plaintiff will have their deposit refunded. However, if a breach of regulations is not proven, then the plaintiff will forfeit their deposit. The chart below outlines the complaint process;

Process for Clubs/Players to raise issues related to Regulation 6
 (Note: Branches through their competition/Discipline Committees can raise items directly with the IRFU)



FREQUENTLY ASKED QUESTIONS:

Currently, Regulation 6.6.5 allows one player to sit outside the regulations – will this be maintained in future?

No – all players will be subject to the prohibition on the payment of match fees and win bonuses when it is introduced in 2014-15. The only exception will be a player-coach, who may be remunerated subject to the conditions outlined above.

Surely the new regulations will prevent overseas players from securing work permits?

Players from overseas will not be able to secure work permits as professional rugby players, unless they qualify as a player-coach. Individuals from overseas who secure work permits to pursue other professions will be permitted to play domestic club rugby, but within the regulations in place from time to time.

Can clubs get round the regulations simply by paying inflated expenses to players?

No – Reimbursement of vouched expenses incurred for reasonable travel and subsistence incurred solely and directly in relation to official Club training and or matches, not exceeding the levels that may be set from time to time by the IRFU Union Committee may be paid. **For the 2014/15 season this will be set at €25,000.**

What if players are paid by individuals or organisations outside of a particular club, in order that they should play for that club?

As stated above, the current Regulation 6 defines “Material Benefit” as “money, consideration, gifts or other benefits whatsoever promised or given to a Player, his spouse or his immediate family, directly or indirectly or any third party in a fiduciary capacity on behalf of such Player, in cash or otherwise, from a Club or any third party for having participated in or undertaken to participate in any game of Rugby Football”. Using this definition, a prohibition against the payment of “Material Benefit” might reasonably be construed to cover the circumstances described in the question.

Furthermore, the IRFU’s Laws specify that the Union exercises governance over all “Persons”, namely any “player, referee, coach, manager, official, medical officer, staff, supporter or any individual who is or has been involved in the Game, or in the organisation, administration or promotion of the game”. Again, the breadth of this definition allows Regulation 6 to extend beyond the immediate ambit of the club and the player, and to cover also other individuals who are associated albeit indirectly with the game.

What about existing contracts with players / coaches? Can these be observed?

Significant warning was given to clubs in regards to the implementing the Club Sustainability recommendations to give time for clubs and players to run down existing contracts.

Will university clubs develop an advantage by being able to offer bursaries and scholarships to players?

The IRFU has no authority over the issue of bursaries and scholarships by universities to students for academic purposes – nor can it control the issue of such awards to rugby players, where the conditions of an award are properly concerned with the development of sporting talent within the university setting. However, by exercising scrutiny over such awards within the scope of its regulations, the Union can use reasonable endeavours to ensure that the spirit of the Club Sustainability report is not being infringed by university clubs to gain an unfair advantage.

Will players be prevented from playing for long periods of time while their transfers are reviewed and approved?

This is not the intention of the Club Sustainability report. The introduction of a new regulation which prevents a player from playing for his new club until the transfer is reviewed and approved is merely the formalisation of the process which is currently in place, where the Union or Branch is required to sign off Part 3 of the Inter-Club Transfer Form.

How will it be possible to police these regulations effectively?

Under Law 10 (c), the IRFU already has power to inspect the books of any member club – while Regulation 6 requires every club to submit to the Union an annual statement of the payments it has made to players. The institution of the CAC will provide a dedicated committee whose role it is to scrutinise these statements, and to investigate any anomalies or complaints – this in addition to the powers and processes which are already exercised by the AIL League Sub-Committee and the Branches.

What sort of evidence will be required to support an allegation of player payments in breach of the regulations?

It is accepted that, in the first instance, the documentary evidence available to support an allegation that another club is paying its players may be scant. In this event, a club or player who has genuine reason to believe that a breach of regulations is being committed may provide a witness statement to that effect, stating the grounds for this belief – even if they have no hard evidence to back this up. On receipt of this complaint, the CAC will have power to conduct further investigations to see if evidence does in fact exist – in which case it will pursue the complaint to a conclusion.

Will there be a right of appeal for clubs who are adjudicated to have paid players in breach of regulations?

Yes – this will be to the Committee of Appeal, either at Branch or Union level as appropriate, through the application of Regulation 5.10.

7. SUMMARY OF CLUB OBLIGATIONS:

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| By 31 st August each year (in 2013/14 season extended to end of September) | <ul style="list-style-type: none"> • Each club (including university clubs) to submit to the IRFU a certified statement of payments made to players in the previous season (see Appendices to IRFU Regulation 6) • From 2014-15 (onwards), this will: <ul style="list-style-type: none"> ○ Require an AGM to have been staged in advance, in sufficient time to approve the statement prior to submission ○ Include a statement of expenses to be paid to players in the forthcoming season |
| By 1 st September each year | <ul style="list-style-type: none"> • Each club to have registered its adult players for the season about to commence (IRFU Regulation 6.3.2.1) |
| By 31 st October each year | <ul style="list-style-type: none"> • Each club to submit to the IRFU the names of its honorary secretary and honorary treasurer together with the number of paid up members during the preceding season, and an audited statement of its accounts for that season (IRFU Law 10) |
| By 1 st November each year | <ul style="list-style-type: none"> • University clubs to submit to the IRFU full details of all students receiving a bursary or scholarship in the current academic year (IRFU Regulation 6.6.4.2) |
| By 2 nd April each year (from 2015/16 season) | <ul style="list-style-type: none"> • Each club to have completed and submitted a self-assessment of its fulfilment of the minimum standards criteria which govern the competition in which it plays |
| Player payments | <ul style="list-style-type: none"> • No player may be paid either Signing on Money or Retention Money to join or play for a club • From season 2014-15, players (including from overseas) may be paid reasonable and vouched expenses only |
| Player transfers | <ul style="list-style-type: none"> • Player and current club to complete Part 1 of the Inter-Club Transfer Form (see Appendices to Regulation 6) – confirming the intention to move • Player and new club to complete Part 2 of the Inter-Club Transfer Form – confirming that no payment has been or will be made to induce the move • Union / Branch to complete Part 3 of the Inter-Club Transfer Form: <ul style="list-style-type: none"> ○ Player is unable to play for the new club unless and until this is signed off |
| Coach payments | <ul style="list-style-type: none"> • Coaches may be remunerated for their contribution, as long as this payment goes through the club books and is subject to appropriate taxation • From season 2014-15, only one player-coach per club may be engaged – this at first-team level, and subject to the approval of the IRFU |

8. Terms of reference for Club Affairs Committee

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| <i>Reports to:</i> | IRFU Union Committee |
| <i>Purpose:</i> | To ensure that the sustainability of club rugby is supported by a robust framework of regulation and compliance with regard to player rewards |
| <i>Role and remit:</i> | <ul style="list-style-type: none"> • To oversee the implementation of the new proposals arising from the recommendations contained within the Club Sustainability report • To oversee the management and regulation of all matters contained within IRFU Regulation 6 – including and especially: <ul style="list-style-type: none"> ○ Submissions made annually by clubs regarding the payment of fees and expenses to players ○ Submissions made annually by universities and colleges regarding the payment of bursaries / scholarships to players ○ Contractual arrangements between clubs and player-coaches ○ The movement of players between clubs • To have direct responsibility for all matters governed by IRFU Regulation 6 at AIL and Qualifying League 1 levels, and to liaise with Provincial Committees with regard to such matters at provincial and local levels • To investigate allegations of breaches of Regulation 6.6, and to refer these for adjudication by the Union’s Disciplinary Committee where appropriate • To review trends in transfers, and to review specific transfers at AIL and QL1 levels for their compliance with regulations • With the approval of the IRFU Committee, to conduct audits of club finances on a blanket or random basis, with a view to ensuring club sustainability • To initiate other investigations with regard to the new proposals arising from the recommendations of the Club Sustainability report, as deemed appropriate • To take such other actions as are consistent with and required by the recommendations of the Club Sustainability report |
| <i>Membership:</i> | <ul style="list-style-type: none"> • Chair (appointed by IRFU Committee) • Representative of the IRFU Committee • 4 x nominees from Provincial Committees (1 per Branch) • IRFU Rugby Administration Manager • IRFU Head of Legal and Compliance |