TERMINATION OF CONTRACTS IN FOOTBALL: A COMPARATIVE ANALYSIS OF NATIONAL LEGAL SYSTEMS

by *Michele Colucci*[*]

INTRODUCTION

Contractual stability has long been regarded as a fundamental cornerstone of professional football's regulatory framework. It reflects the recognition that the sport's economic and competitive integrity depends upon the enforceability of agreements between players and clubs. These agreements are not only the legal instruments through which professional relationships are structured; they also underpin the functioning of the transfer system, the predictability of club rosters, and the safeguarding of investments in player development and acquisition.

At the same time, contractual stability must be balanced with the recognition that footballers, like all workers, enjoy fundamental labour rights – including freedom of movement, access to employment, and the right to pursue their profession under fair conditions. The task – and the challenge – for regulators and courts lies in reconciling these rights with the legitimate interests of clubs in safeguarding their investments, ensuring roster predictability, and maintaining competitive balance. In this way, both individual rights and collective stability can be mutually reinforced.

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[*] Co-Founder and Honorary President of the Italian Association of Sports Lawyers (AIAS), Editor of the *International Encyclopaedia of Sports Law* (Wolters Kluwer), and Scientific Co-Director of the *Rivista di Diritto ed Economia dello Sport*, RDES, (SLPC).

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The legal framework thus occupies a space at the intersection of international sports law – in football the FIFA Regulations on the Status and Transfer of Players (RSTP) – national employment and contract law, and – in the European Union – supranational law, particularly the provisions of the Treaty on the Functioning of the European Union (TFEU) on competition and freedom of movement and the European Convention on Human Rights (ECHR).

The core regulatory provisions are found in Articles 13–17 of the FIFA RSTP. These articles enshrine the principle of *pacta sunt servanda* in football, while also providing grounds for unilateral termination with just cause and specifying the consequences of termination without just cause. Enforcement rests primarily with the FIFA Dispute Resolution Chamber (DRC) and the Court of Arbitration for Sport (CAS). Increasingly, however, their decisions and awards fall under the lens of EU law, particularly where EU fundamental freedoms are involved – as the recent *Seraing* judgment of the Court of Justice of the European Union (CJEU) has clearly demonstrated.

CAS jurisprudence has played a decisive role in shaping the contours of compensation and sanctions, marking a process of progressive refinement rather than a strictly linear trajectory. At the same time, judicial review has added an important external safeguard, as illustrated in the *Diarra* judgement of the CJEU, where FIFA's regime was measured against the proportionality standards of EU law.

This chapter offers a comparative analysis of contractual stability across the jurisdictions examined in this volume. It considers the legal foundations, the structure of the employment relationship, and the substantive obligations of the parties, with particular emphasis on termination – especially termination without just cause – and the calculation of compensation owed to the injured party.

To understand how principles of contractual stability operate in practice, and how they affect both clubs and players, the FIFA framework must be read alongside national systems of compensation.

A comparative perspective is crucial because disputes over termination without just cause are adjudicated not only under FIFA's RSTP but also through the lens of national contract and employment law. While the RSTP sets out general principles and an international regulatory framework, the actual determination of compensation at national level rests on domestic legislation, judicial practice, and the balance struck in each jurisdiction between players' rights and clubs' interests through collective bargaining agreements where they exist.

This comparative approach makes it possible to identify both convergences and divergences in the application of key principles – such as proportionality, mitigation of damages, or recognition of non-economic loss – and to assess how different systems give practical effect to contractual stability. Rather than revealing mere fragmentation, it may enrich the debate on harmonisation by showing where common ground already exists and where further clarification could enhance legal certainty and fairness across the global football labour market.

1. Historical Background: From Bosman to Article 17 RSTP

The principle of contractual stability in football cannot be fully understood without reference to its historical evolution. Modern transfer rules emerged as a response to the *Bosman* case, which struck down restrictions on out-of-contract players moving freely between EU clubs. While *Bosman* enhanced player mobility, it also raised fears that contractual obligations would be undermined. Clubs worried that investments in transfer fees and training would be destabilised, threatening the financial equilibrium of the sport.

In response, FIFA and UEFA negotiated a reform of the international transfer system in 2001, under the oversight of the European Commission. The compromise sought to strike a balance: contracts would remain binding, but players would enjoy certain freedoms, especially after the expiry of their employment agreements.

Article 17 of the newly reformed *Interim FIFA RSTP* entered into force on 1 January 2025 crystallised this balance. It established that unilateral termination without just cause was possible but would trigger an obligation to pay compensation calculated according to the "*positive interest*" principle. In addition, a "protected period" was introduced (three years for players under 28; two years for those older), during which breaches could result in sporting sanctions for players and restrictions on clubs inducing termination.

The early years after 2001 revealed the ambiguities of this framework. Article 17 RSTP provided little guidance on how compensation should be calculated. This left FIFA's DRC and, above all, CAS to fill the gap.

The *Webster* CAS award of 2007 constituted the first significant test of Article 17 RSTP. By confining compensation to the residual value of the employment contract, CAS appeared to suggest that contractual stability could be undermined through relatively inexpensive buy-outs, a prospect that generated considerable concern among clubs and federations. The subsequent *Matuzalem* award (2008) signalled a corrective shift: compensation was quantified at over USD 11 million, and FIFA additionally imposed an indefinite restriction on the player's eligibility to participate in official matches pending payment. Although the Swiss Federal Supreme Court ultimately annulled the disciplinary sanction, the case illustrated the risk of an excessively punitive application of Article 17 RSTP.

For more than a decade, such a provision remained controversial. CAS decisions oscillated between restrictive and expansive approaches, while national courts and federations applied their own frameworks, producing significant divergence. Players' unions argued that sanctions were disproportionately harsh on players, while clubs insisted that under-compensation would destroy contractual stability.

The situation culminated in *Diarra* (2024), when the CJEU scrutinised Article 17 RSTP directly. The Court declared compensation formulas based on unamortised transfer fees, together with the automatic joint liability of new clubs,

incompatible with EU free movement and competition law. The decision obliged FIFA to reform its regime, leading to the above mentioned 2025 *Interim Regulatory Framework*. This reaffirmed the positive interest principle but demanded evidence-based, proportionate calculations of loss, abolished automatic joint liability, and limited sporting sanctions to cases of proven inducement.

The historical trajectory therefore reflects a tension between competing values: mobility versus stability, proportionality versus deterrence. National jurisdictions have developed their own approaches within this contested space, producing the diversity examined in the remainder of this chapter.

2. *Legal Foundations*

The legal classification of the football contract varies significantly across jurisdictions. In most continental European states – including **Belgium**, **France**, **Germany**, **Italy**, **The Netherlands** – footballers are treated as employees under labour law. This classification ensures the application of statutory protections, such as collective bargaining rights, minimum working standards, and social security contributions. Yet derogations are permitted to reflect the specific nature of sport, notably in relation to the permissibility of fixed-term contracts.

Italy's Law 91/1981 on Professional Sport provides the archetype of a specialised statutory framework, embedding players firmly within employment law but subjecting them to collective bargaining agreements negotiated between the three relevant actors FIGC (the Italian Football Association), the *Lega Serie A*, and Assocalciatori (the players' union association). **France** follows a similar path: the *Charte du football professionnel* functions as a sectoral CBA, harmonised with the Labour Code. **Belgium** and **The Netherlands**, while rooted in labour law, afford substantial contractual autonomy, with federation rules supplying minimum standards.In **Belgium,** the Football Collective Agreement has provided for specific conditions applicable to the football employment contract".

As a starting point in **Germany**, all labour law regulations apply to footballers as they apply to "normal" employees. However, the special circumstances under which top athletes work and are employed are partly taken into account by the national legislator and in case law. Eg the German Federal Labour Court ruled that the practice of concluding fixed-term employment contracts with professional football players is justified by the "nature of the work".

Spain's approach is unique. Royal Decree 1006/1985 establishes *a sui generis* framework for professional athletes, bridging labour and civil law. While athletes enjoy employment rights, the decree requires every contract to contain a buy-out clause, reflecting a deliberate legislative choice to provide legal certainty for unilateral termination.

Romania represents another model, employing civil law "sports activity agreements" distinct from the Labour Code. This reflects a compromise between labour law rigidity and the needs of sport.

In **Croatia** according to the Sports Act players and clubs may choose between employment contract and contract of professional play that is a civil law contract.

Switzerland presents a distinctive case. Unlike Italy or Spain, it has no dedicated sports law. Employment relationships are governed by the Swiss Code of Obligations (CO) and general labour law, supplemented by the contractually agreed provisions of the Swiss Football Association (SFV) and Swiss Football League (SFL). Since 2012, any non-amateur player wishing to play for a club of the Swiss Football Association must sign the Standard Contract of the Swiss Football League (SFL). It incorporates FIFA, UEFA and SFV regulations as binding, creating a triangular structure between player, club and association. Swiss law further enshrines the principle of termination parity (Art. 335a CO), which invalidates unilateral termination or extension clauses. This framework reflects a general philosophy of contractual freedom tempered by mandatory labour protections.

Outside Europe, the diversity is striking. **Brazil** has legislated a dual system of contractual clauses that separately protect clubs (*cláusula indenizatória*) and players (*cláusula compensatória*). **South Africa** relies heavily on its labour laws, however afford substantial contractual autonomy within the federation rules which must be in compliance with the FIFA rules and regulations through the National Soccer League, while **Saudi Arabia** and **Türkiye** also regulate primarily through federative rules.

Japan and **Uruguay** treat football contracts as civil agreements, subject to general contract law, though registration with the federation is essential for validity.

Despite this variety, one trend is clear: **in all jurisdictions**, football contracts are recognised as requiring special treatment, whether through statutory regimes, CBAs, or federative regulations. This highlights the functional autonomy of sports law within the broader framework of labour and civil law, acknowledging that the particularities of professional football require tailored regulatory solutions.

3. The Employment Agreement

Across the jurisdictions surveyed, football contracts are almost universally fixed-term, usually lasting between one and five years. This is consistent with Article 18(2) of the FIFA RSTP, which caps contract length at five years unless national law permits longer terms.

Argentina, **France**, **Greece**, **Italy**, **Portugal**, **Romania**, **South Africa** and **Switzerland** require federation-approved templates and formal registration.

Croatia, **England** and **Germany** combine standard forms with flexibility, allowing bespoke clauses particularly in relation to bonuses and image rights.

Buy-out and penalty clauses illustrate divergence. **Spain** requires buy-out clauses by law. **Brazil** legislates buy-out and compensation clauses under its dual system.

In **Argentina**, buyout clauses are increasingly used, formally recognised by AFA–FAA agreements. Players may exercise them by paying the stipulated amount, plus additional percentages to FAA, AFA and the State. A recent reform allows simplified tripartite agreements (player, old club, new club), resembling transfers.

Greece, **Italy**, **Portugal** and **Russia** recognise penalty clauses but subject them to judicial moderation if disproportionate while in **Belgium** penalty clauses can only be valid if they are in conformity with mandatory labour law provisions. The sanction is rather nullity than mitigation.

The Netherlands has adopted strict proportionality review post-*Diarra*. **England** does not mandate release clauses but enforces them under ordinary contract principles.

In **Switzerland** the law prohibits conventional penalties for early termination by the player: Article 337d CO provides an exclusive, mandatory remedy (¼ of one month's salary), rendering penalty clauses void if they attempt to go beyond this.

4. Rights and Obligations of Players and Clubs

The substantive obligations of players and clubs display broad convergence. Players are required to train diligently, compete in matches, follow tactical instructions, and respect disciplinary codes. Clubs are obliged to pay salaries punctually, provide adequate training and medical facilities, and guarantee insurance.

In **Switzerland**, the player's duty of loyalty extends even into private life, requiring them to maintain a lifestyle consistent with professional performance. Conversely, Swiss law recognises a player's right to remain occupied: exclusion from training without justification constitutes a breach of the employer's duty of care.

Elsewhere, regional differences are evident. **Eastern European** and **Latin American** jurisdictions often codify disciplinary obligations in detail. Western European jurisdictions increasingly emphasise the club's duty of care, extending to medical and psychological welfare.

In **England**, clubs have been held liable for inadequate medical treatment. In **Italy**, tribunals have recognised claims for damages linked to career interruption.

In **Germany**, courts stress the importance of the player's right to be employed according to the employment contract; thus, the player has the right to participate in professional team training sessions.

5. Termination for Just Cause

Termination for just cause operates as the fundamental safety valve of the system. It allows the player or the club to end the employment relationship where breaches are so serious that continuation becomes intolerable.

The most common ground is non-payment of salary. In **Brazil**, **Croatia**, **Italy**, **Romania**, and **Russia**, arrears of two to three months generally suffice, reflecting both national legislation and CAS jurisprudence.

In **Italy**, just cause has been interpreted broadly, encompassing exclusion from the squad, salary arrears exceeding twenty days, doping, match-fixing, or physical incapacity lasting more than six months. Italian arbitral panels regularly adjudicate such disputes, and the jurisprudence confirms that unjustified exclusion from first-team activity triggers compensation equal to 20% of the player's annual salary.

Germany and **Switzerland** adopt stricter standards, requiring persistent or serious breaches before just cause is established.

In **Switzerland**, the principle is codified in Article 337 CO, which requires that continuation of the relationship be unreasonable. The *Barea* ruling of 2011 established that unjustified exclusion from training or competition meets this threshold. Persistent arrears or serious breaches of duty of care equally justify termination. Swiss law therefore affords robust protection to players.

In **England**, the doctrine of constructive dismissal coexists with the stricter standards applied in FA Rule K arbitration. Thus, while employment tribunals may find just cause where working conditions are intolerable, arbitral tribunals apply FIFA's and CAS's narrower interpretations. The celebrated case of *Kevin Keegan v Newcastle United* (2009) illustrates the friction between national labour law and football's regulatory framework.

Clubs may terminate for just cause where players engage in serious misconduct. **Italian** and **French law** require grave fault and procedural guarantees. **England** applies the standard of gross misconduct, while **Swiss law** demands a serious breach of trust.

A developing line of jurisprudence recognises breach of the club's duty of care as just cause. **English** courts have held that inadequate medical treatment can constitute constructive dismissal.

German law, drawing on constitutional guarantees of dignity and health, has moved in a similar direction.

Swiss law also strongly emphasises this duty: systematic overwork, failure to provide medical oversight, or unjustified exclusion may all trigger just cause.

Brazilian law relies on the doctrine of *rescisão indireta*, which entitles a player to terminate if the club fails to pay wages for two months, or in cases of abuse or harassment. Clubs may, conversely, dismiss players for misconduct under the CLT, such as intoxication or criminal conviction. Courts have repeatedly stressed that tolerance of breaches does not amount to waiver.

German law takes a more proceduralised approach. Extraordinary termination under Section 626 BGB requires four conditions: good cause; compliance with the ultima ratio principle; proportionality; and timely declaration within two weeks. Typical grounds include doping, violence, or betting fraud on the one hand, and persistent arrears or unjust exclusion on the other. The rigorous safeguards prevent arbitrary termination.

Portugal strikes a balance between civil law protection and statutory discipline. Just cause is recognised for non-payment exceeding thirty days, harassment, or abusive exclusion. Players must notify the club and league before terminating, while clubs may dismiss only after disciplinary proceedings. The *Jeferson Macedo v Boavista* decision confirmed that unjust exclusion from the first team constitutes just cause.

6. Termination Without Just Cause and Compensation

The consequences of termination without just cause, and in particular the calculation of compensation, represent the core issue in contractual stability.

6.1 The FIFA and CAS Framework

Article 17 RSTP now mandates compensation based on positive interest: damages must restore the injured party to the position it would have enjoyed had the contract been performed. The application of this principle in the sports jurisprudence has, however, varied over time. Among the most emblematic cases, in *Webster* (2007) CAS confined compensation to residual salary, enhancing player mobility but weakening club protection. *Matuzalem* (2008) produced an award exceeding Euro11 million, based on transfer fees and replacement costs, coupled with an indefinite playing ban, later annulled by the Swiss Federal Supreme Court as disproportionate. *Diarra* (2025) marked the intervention of EU law: the CJEU held that compensation linked to unamortised transfer fees and automatic joint liability of new clubs violated free movement and competition law. FIFA responded with the above mentioned *Interim Regulatory Framework*, reaffirming positive interest, abolishing automatic joint liability, and restricting sporting sanctions to proven inducement.

Together, these cases mark a trajectory from under-compensation and destabilising mobility, to over-compensation and harsh sanctions, to proportionality and evidence-based awards.

6.2 The National Systems: Residual Value v. Positive Interest systems

In general, a distinction can be drawn between "residual value" systems and "positive interest" systems in the calculation of compensation for termination without just cause.

Residual value systems confine compensation essentially to the value of the contract that remains to be performed, usually the residual salary, reduced by mitigation (i.e. what the player earns or could reasonably earn elsewhere). This model reflects a strict employment law approach and deliberately avoids speculative elements such as transfer value or replacement costs.

Germany offers the clearest example: courts tipically treat footballers as ordinary employees and therefore exclude any consideration of market value or sporting factors. Compensation is calculated on the same basis as for other employees under German labour law.

In **Belgium**, compensation is also calculated solely on the basis of residual salary and remaining duration of the contract.

England, though formally operating under a wrongful dismissal framework, broadly applies a similar approach. The calculation of damages is tied to the contract's residual value, though complications may arise in practice from the inclusion of image rights and commercial arrangements linked to the player's performance.

South Africa, through National Soccer League (NSL) arbitration, has also adopted the residual salary model, although the weakness of enforcement mechanisms often undermines its effectiveness.

Several other jurisdictions also rely on residual salary formulas. **Croatia, Romania**, and **Russia** generally apply this method in their football-related disputes, while **Japan** and **Uruguay** – both with contract law systems rooted in civil law – also award damages on the basis of residual salary. These approaches ensure a high degree of predictability, but at the same time significantly limit recovery, as they disregard the broader economic consequences for the club or the player beyond the unfulfilled salary obligations.

In **Argentina**, players may terminate with just cause in cases such as non-payment, failure to register contracts, or unlawful alterations to training. Compensation includes outstanding salary until expiry plus statutory severances (length-of-service, notice, unused vacation). AFA must declare free-agent status and grant a 20-day additional registration period even outside windows. If a club terminates for just cause, it must prove serious misconduct before the labour courts. Only one case (*Caranta v Boca Juniors*) confirmed a player's liability for compensation. However, no sporting ineligibility may be imposed: clauses banning players from signing elsewhere are void, and AFA must issue the ITC immediately.

In **Italy**, termination without just cause by the club entitles the player to the residual value of the contract, including salary and accrued bonuses. Where the club excludes the player, the CBA adds a further indemnity of 20% of annual salary, reflecting the particular damage caused by sporting inactivity. Conversely, when a player terminates without just cause, Italian arbitral practice has been cautious in awarding compensation to clubs, generally rejecting speculative claims for "lost transfer value." The result is a relatively predictable system, protective of players but leaving clubs with limited remedies.

Positive interest systems aim to restore the injured party's full expectation interest, placing it in the financial position it would have enjoyed had the contract been performed. Unlike residual value models, they permit recovery beyond unpaid salary, at least in principle, and therefore tend to provide more extensive protection.

Switzerland represents a qualified positive interest model. Under Article 337d CO, if a player terminates without just cause, the club is entitled to a presumptive quarter of one month's salary. Higher damages may be awarded only upon proof of actual loss, but transfer fees and "loss of opportunity" are excluded, as they would not have been arisen in the ordinary performance of the contract. Where the employer (club) breaches, Article 337c CO entitles the player to the residual value of the contract (salary, bonuses, expenses) up to expiry, subject to mitigation. In addition, the court may, at its discretion, award an indemnity of up to six months' salary. While broadly aligned with FIFA's Article 17 RSTP, the Swiss statutory law rejects speculative elements. Swiss doctrine has therefore criticised CAS awards such as *Matuzalem*, which relied on transfer values and "sport specificity" penalties seen as incompatible with mandatory Swiss law. Overall, the system combines strong protection for players when clubs breach with restrained, predictable awards when players breach – reflecting an asymmetry embedded in the Code of Obligations.

Portugal incorporates the principle of positive interest in its collective bargaining agreements (CBAs). Compensation reflects not only residual salary but also additional economic consequences for the club, including recruitment and replacement costs. This framework goes beyond the residual salary model but remains grounded in negotiated sectoral agreements, ensuring a degree of predictability and acceptance within the industry.

The Netherlands has also moved towards a **qualified positive interest approach**, particularly following Diarra. Dutch courts, which traditionally limited damages to residual salary, have shown greater willingness to consider broader heads of loss when they are objectively demonstrated. At the same time, disproportionate sums – such as those once awarded by CAS on the basis of transfer values – are rejected. The Dutch approach therefore combines flexibility with proportionality, avoiding both under-compensation and excessive awards.

The **Brazilian** model is distinctive in that it adopts a dualised structure, introduced by Law No. 12.395/2011 and preserved in the LGE. If the player terminates without just cause, the *Cláusula Indenizatória Desportiva (CID)* becomes payable to the club. The CID must be specified in the employment contract. For domestic transfers, it is capped at 2,000 times the player's monthly salary, while for international transfers there is no statutory limit. The new club is jointly liable with the player, reflecting a policy of deterrence against foreign "poaching." By contrast, if the club terminates without just cause, or if the player terminates with just cause attributable to the club, the *Cláusula Compensatória Desportiva (CCD)* applies. This too must be stipulated in the contract, subject to limits: a maximum of 400 monthly salaries, and a minimum equal to the residual value of the contract. Both mechanisms reflect a legislative choice for predictability and contractual autonomy, yet in international disputes arbitral tribunals have intervened to reduce disproportionate sums, applying principles of reasonableness and proportionality.

Spain also follows a positive interest model, largely through the mechanism of contractual buy-out clauses. These clauses, registered with the national federation, stipulate in advance the compensation owed if a player unilaterally terminates the contract. Although courts may scrutinise disproportionate sums, the system is rooted in the idea that compensation must reflect the player's full sporting and economic value to the club. In practice, this means that compensation often goes well beyond residual salary, aligning Spanish law closely with FIFA's positive interest principle, but with strong emphasis on contractual autonomy.

France occupies an intermediate position. The French Labour Code ensures that professional footballers are treated as employees, but collective agreements and the jurisprudence of the *Conseil de prud'hommes* allow for damages that may exceed residual salary when broader loss can be substantiated. This hybrid approach means that French practice incorporates both residual and positive interest elements, depending on the circumstances.

Finally, the **Greek** model reflects FIFA principles but diverges significantly in the calculation of compensation.The "transfer window division" rule produces much lower awards than under FIFA RSTP, while players rarely pay compensation even when in breach.

Such a compensation is calculated according to a unique formula, namely the fixed monthly salaries until the end of the transfer window following termination (including bonuses/allowances) and the remaining instalments divided by the number of transfer periods left until contractual expiry.

6.3 A Third Model of Contractual Stability: The Major League Soccer (MLS)

In the United States and Canada, Major League Soccer (MLS) offers a **third paradigm** of contractual stability, distinct from both residual value and positive interest systems. MLS operates as a **single-entity structure**: all contracts are concluded directly with the League, the formal employer of record, while clubs act merely as operators. This model, upheld in *Fraser v. MLS*, centralises contractual authority and shields clubs from direct employment liability.

Player contracts take the form of a Standard Player Agreement (SPA), negotiated collectively through the CBA with the Major League Soccer Players Association (MLSPA). The SPA standardises core terms while individualising duration, salary, and bonuses. Options and buy-outs are strictly regulated, reflecting the League's broader commitment to financial parity.

Termination is tightly circumscribed. The U.S. doctrine of "at-will" employment is displaced: contracts may end only on grounds exhaustively defined in the SPA/CBA (serious misconduct, doping, gambling, or conduct detrimental to MLS). Semi-guaranteed contracts permit release before a set "Guarantee Date," but otherwise contracts are fully guaranteed, with wrongful dismissal triggering payment of the outstanding salary. Players may terminate for serious breaches by

MLS – such as non-payment, denial of medical care, or unjustified exclusion – entitling them to the residual value of the contract and free agency. Unilateral termination without cause amounts to resignation.

Buy-out clauses – ubiquitous in Europe and South America – are absent. Instead, each club may exercise a limited, league-controlled buy-out (recently expanded to two per season) that removes a contract from salary-cap calculations while paying the player in full. Compensation for breach is decided case by case through the internal grievance and arbitration system, a binding process that almost entirely displaces FIFA's DRC and CAS. Few disputes escape this system, reflecting its effectiveness and the MLSPA's active role in both prevention and resolution.

Comparatively, MLS secures stability not through expansive damages or rigid salary formulas, but through collective bargaining, centralised enforcement, and binding arbitration. This institutional design delivers predictability and near-complete avoidance of arrears or external litigation. Yet it may curtail player autonomy: intra-league trades occur without consent, buy-out rights rest with the League, and the closed structure limits bargaining leverage. MLS thus illustrates both the benefits and the costs of contractual stability achieved through centralisation.

7. Challenges and Future Directions

The comparative overview reveals three broad models for calculating compensation and regulating contractual stability following termination without just cause: residual value systems, positive interest systems, and the North American collective model.

Residual value systems – exemplified by **Belgium**, **England, Germany, South Africa, and several Eastern European and Asian jurisdictions** – prioritise predictability and alignment with general employment law. Their strength lies in legal certainty and the avoidance of speculative damages, but they often under-compensate clubs and fail to capture the full economic significance of professional football contracts.

Positive interest systems – found in **Brazil, the Netherlands, Portugal, Spain**, **Switzerland,** and to some extent **France** – adopt a broader compensatory logic. They aim to restore the injured party's full expectation interest, including recruitment or replacement costs, though they are frequently constrained by proportionality principles and judicial or arbitral moderation. Their challenge is to avoid disproportionate awards that risk undermining player mobility or distorting competitive balance.

The **North American model**, embodied in Major League Soccer, constitutes a third paradigm. Here, contractual stability is achieved less through judicial or arbitral calculation of damages than through institutional design: a single-entity structure, centrally negotiated Standard Player Agreements, collectively bargained guarantees, and a binding internal grievance and arbitration system.

Looking ahead, these three models will continue to interact. Residual value systems may face pressure to incorporate broader heads of loss, especially as transfer fees and commercial revenues grow. Positive interest systems will need to refine proportionality safeguards to maintain balance between mobility and stability. The North American model, while successful domestically, raises questions about exportability: whether such a system could function outside the closed-league, single-entity environment of MLS remains doubtful. Nonetheless, it demonstrates that contractual stability can be pursued not only through substantive compensation rules but also through structural and procedural innovations.

Together, the three paradigms show that contractual stability in football is not a monolithic concept but a spectrum of solutions shaped by legal tradition, market structure, and institutional design. The challenge for regulators and courts will be to reconcile these models with the demands of mobility and competitive balance in an increasingly globalised football economy.

Looking ahead, reforms should move towards a more proportionate model, grounded in the principles of predictability, fairness, and proportionality. Key objectives include harmonising compensation standards, rebalancing sanctions, and strengthening independent dispute resolution.

Ultimately, contractual stability is not a mere technicality but the foundation of football's legal and economic order. It preserves competitive integrity, balances the interests of clubs and players, and sustains the functioning of the transfer system.

ANNEX

MASTER COMPARATIVE TABLE
CONSEQUENCES OF TERMINATION WITHOUT JUST CAUSE

This annex brings together, in alphabetical order, the summary tables from each of the twenty-one national reports examined in this book. The comparative table is designed to provide readers with a clear and accessible overview of the main legal consequences of terminating an employment contract without just cause across different jurisdictions.

For each country, the table sets out: the consequences for clubs and players for terminating a contract without just cause, the relevant disciplinary sanctions and regulatory notes.

The entries intentionally condense the detailed country reports into a concise format to facilitate comparison. Readers interested in the full analysis of the relevant national systems, case law, procedural aspects, or doctrinal debates are invited to consult the corresponding national chapter in the main text.

ECONOMIC AND SPORTING SANCTIONS

Country	Club as Damaged Party	Player as Damaged Party	Disciplinary Sanctions / Notes
Argentina	Compensation for the economic loss caused and determined by the ordinary labour courts; recovery is possible but uncommon (see *Caranta* case).	Outstanding remuneration until expiration of the contract and statutory severances.	No sporting sanction on players and clubs: even if terminated for a serious breach, players remain free to sign elsewhere. AFA must issue the ITC immediately.
Belgium	Compensation equal to fixed amounts depending on salary bracket and timing of termination.	Compensation equal to salary until expiry of fixed-term contract, capped at max 36 months salary. Moral damages possible under general principles of law.	Possible disciplinary sanctions (suspension, registration bans). Case law illustrates strict control by courts. Buy-out clauses are in principle not valid if they surpass the amounts fixed for breach of contract.
Brazil	*Cláusula Indenizatória Desportiva* (CID), (Pre-agreed compensation), capped by law for domestic transfers, maximum limited to 2,000 times the Player's average monthly salary. For international transfers there is no statutory cap.	*Cláusula Compensatória Desportiva* (CCD) equal to a minimum reflecting the remaining salaries until a max of 400 times the player's salary. In practice, the minimum is usually applied.	In principle no sporting sanction on the players while clubs can be sanctioned especially in case of non-payment of arrears salaries.
Croatia	*Direct damages* (actual costs incurred) and *Consequential damages* (lost future earnings or profits), though the latter is difficult to demonstrate.	Compensation equal to the contract's residual value.	The CFF may sanction breaches with suspension or registration bans.
England	Remaining salary minus mitigation, plus any unamortised transfer fee (if applicable).	Lost salary in addition to provable losses and possible reputational harms.	FA disciplinary system and FIFA sanctions apply. Sporting sanctions are rare in England.

Country	Club as Damaged Party	Player as Damaged Party	Disciplinary Sanctions / Notes
France	Termination without just cause gives rise to damages corresponding to the loss suffered by the club, as determined at the sole discretion of the Labour Court (*Conseil de prud'hommes*). While penalty clauses may be included in the contract, their enforceability remains subject to judicial control – in particular, a review of their proportionality.	Compensation equal to the contract's residual value. Moral damages are also possible.	LFP/FFF may impose sanctions (suspension, non-registration), but State labour law prevails over sporting rules, with contract termination strictly overseen by courts.
Germany	Clubs terminating without just cause may owe damages under Section 628(2) BGB (lost earnings, transfer-related damages).	Players terminating without just cause may owe damages under Section 628(2) BGB for lost profits regarding non-saleable merchandising products. Damages regarding transfer fees or the costs for a replacement player are close to impossible to prove/enforce.	No sporting sanctions under DFL/DFB rules like those in FIFA Article 17. Player cannot be registered for a new club until the termination has been established as legally effective in State court proceedings by a legally binding decision. No collective agreements yet in German football.

Country	Club as Damaged Party	Player as Damaged Party	Disciplinary Sanctions / Notes
Greece	If there is no specific agreement, the player will only be liable to pay compensation in case he terminated the contract prematurely with the aim to sign a contract with another club or if the contract was terminated prematurely due to false and misleading information provided by the player regarding the documents required for the signing of the contract or the issuing of a sporting identity. Such compensation will be equivalent to the one provided under paragraph 2a i), ii) and iii) of article 14 of the KIMP.	If there is no specific agreement and the player has not signed a new contract compensation shall be equal to the aggregate of i) the remaining fixed monthly salaries until the end of the transfer window following termination and ii) the residual amount of contract's instalments divided by the number of remaining transfer windows until original expiry. In case a player signs a new contract, a mitigated compensation shall apply increased by an additional compensation of 3 or 6 months' salary. No moral damages awarded.	HFF may sanction breaches (suspension, transfer bans, etc.) in line with FIFA RSTP if the breach occurred during the protected period. Buy-out clauses are permitted.
Italy	Compensation calculated under general principles of civil law: direct damages (actual costs) and consequential damages (lost future earnings/profits) – latter hard to prove and it has never been applied so far.	Outstanding salaries: remaining contract value or agreed severance. Exclusion from training/squad: 20% of yearly gross fixed remuneration upon termination due to exclusion. Moral/professional damages can be claimed for career harm/reputation/lost opportunities but difficult to prove.	Sporting sanctions: suspension from football activity; no transfer/registration with new club. Buy-out clauses are permitted.

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Japan	Residual value of the player's contract and other losses suffered by the club. However, courts may limit damages – e.g., to the equivalent of one year's salary – even where longer periods remain.	Players are entitled to outstanding salaries and compensation equal to the remaining value of the contract minus the value of the new contract covering the same contractual period. Additional compensation may be awarded depending on the circumstances.	JFA / J. League may impose sporting sanctions, but disputes are usually settled internally, with no major case law on unjust termination
MLS (United States/Canada)	Player's termination is treated as resignation and no compensation is owed.	Compensation equal to the remaining guaranteed salary and benefits. Damages and remedies defined by CBA.	MLS disputes go to internal arbitration, not FIFA DRC; sporting sanctions are rare, with discipline managed under league rules.
The Netherlands	Under Dutch Civil Code compensation typically equal to residual value of the contract (remaining salary until expiration). In some cases (Ministerial Regulation for top-tier football), enhanced compensation may be awarded, but criteria are unclear.	Compensation equal to the contract's residual value. Moral damages very rare.	Clubs do not benefit from automatic sporting sanctions against players. No suspension for players terminating domestic contracts.
Portugal	Compensation equal to the remaining value of the contract but additional damages can be awarded if duly proved.	Outstanding salaries and compensation equal to the remaining value of the contract. Moral additional reputational and moral damages can be granted if duly proved.	FPF/LPFP may impose sanctions (suspension, registration bans); buy-out clauses are common but reviewed for proportionality under Portuguese law.
Romania	Compensation calculated on the basis of: – 50% of total contractual payments received by the player; – Any transfer, training, or solidarity payments incurred.	Outstanding salaries and compensation equal to the remaining value of the contract. Moral additional reputational and moral damages can be granted if duly proved.	The FRF DRC and Appeal Commission may sanction the parties in breach (suspension, de-registration, transfer bans).

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Russia	Compensation may be awarded based on a combination of factors, including: 1) salary and other payments due to the professional footballer/coach under the employment contract with the former and new clubs; 2) remaining term of the employment contract with the former club; 3) expenses incurred by the former club in relation to the professional footballer; 4) whether the termination of the employment contract with the footballer fell within the protected period; 5) other objective criteria.	Compensation may be awarded based on a combination of factors, including: 1) remaining period of the player's employment contract with the former club; 2) salary and other payments due to the footballer under the employment contract with the former and new (if any) football clubs; 3) expenses incurred by the player during the transfer to the former and new (if any) professional football clubs; 4) whether the termination of the employment contract occurred within the protected period; 5) other objective criteria.	The RFU DRC considers disputes, with appeals to either NCSA or CAS (at parties' choice); sanctions may include fines, suspension, de-registration, and transfer bans. Buy-out clauses are permitted.
Saudi Arabia	Remuneration and other benefits due to the player under the terminated employment contract and/or the new contract, the time remaining of the terminated contract up to five years, the fees and expenses paid by the former club, which shall be amortised during the term of the contract, and whether the contractual breach falls within a protected period.	Residual value of the prematurely terminated employment contract, minus the value of any new employment contract for the period corresponding to the time remaining on the prematurely terminated employment contract ("mitigated compensation"). "Additional compensation" may be payable depending on the circumstances.	Sporting sanctions include fines, suspension, and registration bans.

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South Africa	Club Common law damages and, in rare cases, clubs may seek specific performance. However, courts are cautious when enforcing performance in sports settings. Sporting sanctions are not typically imposed domestically.	Outstanding salaries. Moreover, under the Labour Relations Act (LRA), players may claim up to 12 months' salary for unfair dismissal. Under common law, the player may claim full damages for the remaining term, minus mitigation.	No sporting sanctions at domestic level.
Spain	Royal Decree 1006/1985 applies. In principle, the amount is that contractually agreed. In the absence of an agreement, the Labour Courts determine compensation based on sporting circumstances, harm caused, and other appreciable elements.	Compensation contractually agreed. Outstanding salaries and in case of *unfair* dismissal a minimum compensation equal to two months' salary + proportional bonuses per year of service. Courts may increase compensation considering player's lost earnings, age, lack of transfer opportunities, etc. Additional (reputational and moral) damages may be awarded only if substantiated.	Labour courts handle dismissals; RFEF/LFP may sanction (suspension, de-registration), and buy-out clauses are mandatory in all contracts.

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Switzerland	The club is entitled to a compensation for the damages resulting from the premature termination of the contract. (Article 337d, paragraph 1, CO). However, Swiss law presumes damages of ¼ of one month's salary. The club may claim higher damages if it can actually prove that its actual loss exceeds this presumptive threshold.	Compensation equal to the amount that the player would have earned if the fixed-term employment contract had been terminated by the expiry of time. Hence, the so-called "positive interest" ("positives Interesse") is owed to the player. This positive interest consists of the remaining wage(s) and includes other factors like a possible 13th month wage, a severance payment, expenses, etc. However, the player must deduct from his damages what he has saved and what he has earned or intentionally refrained from earning elsewhere (Article 337, paragraph 2, CO).	SFV/SFL may sanction (suspension, de-registration), with FIFA/UEFA rules applied in parallel.
Türkiye	Compensation may be awarded based on a combination of factors, including: – any liquidated damages clause agreed in the contract; – any penalty clause; – the residual value of the contract (i.e. unpaid salaries); – the costs incurred by the club in acquiring the player (e.g. transfer fees); – and the costs incurred by the club in replacing the player.	Compensation may be awarded based on: – the residual value of the player's contract; – any liquidated damages or penalty clauses; and – any other relevant contractual or economic considerations. Moral and Professional damages are not awarded.	Jurisdiction lies with the TFF DRC or courts. Sporting sanction (e.g., match bans) imposed in accordance with Article 30 TFF rules, often more lenient than FIFA standards. Foreign players often turn to FIFA DRC due to TFF rule misalignment.

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Uruguay	Clubs may claim damages under civil law, provided they can prove the loss.	Outstanding salaries and remaining value of the contract. Moral and Professional damages are not awarded.	AUF Arbitration Tribunals and disciplinary authorities may impose suspension/de-registration. The joint responsibility of the player and the new club is not foreseen.