

FIFA introduces new National Dispute Resolution Chamber (NDRC) regulatory framework

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FIFA's introduction of its new **National Dispute Resolution Chamber (NDRC) regulatory framework** will provide legal certainty and clarity to the dispute resolution process within football, and should offer a swift and less expensive method of resolving disputes at a domestic level.

The framework establishes principles and minimum requirements to which an NDRC must adhere, sample standard regulations to guide NDRCs as to how to structure their own framework, and an official recognition procedure which an NDRC must undergo in order to be able to accept jurisdiction to determine disputes at national level.

What are NDRCs and why are they important?

An NDRC is an independent football arbitration tribunal established at national level which provides an alternative avenue of recourse for parties to employment-related football disputes. Without the option of recourse to these chambers, such disputes could only otherwise be determined by FIFA's own dispute resolution chamber or by the national civil court of the relevant country. The ability of an NDRC to adjudicate on certain disputes allows for a potentially quicker, more effective and cheaper method of resolving disputes at the domestic level. In contrast with domestic civil courts, an NDRC provides a more bespoke and football-orientated adjudication process, the panel of which understands the industry-specific realities of such disputes and which can provide a fair, practical and expeditious determination. To further streamline and enhance the dispute resolution process within football, FIFA introduced a new NDRC framework on 18 January 2024.

The position in relation to NDRCs to date and the need for change

FIFA have long recognised the ability of parties to employment-related football disputes to elect to

submit such disputes to an NDRC as long as the NDRC meets certain minimum requirements to ensure procedural fairness.

Despite this possibility, a lack of comprehensive regulatory framework governing the operation of NDRCs has led to unnecessary legal uncertainty regarding what is required of these tribunals in order to ensure a consistent and cohesive approach by these bodies. Previously, FIFA's own dispute resolution chamber, the FIFA Dispute Resolution Chamber, has had to determine whether an NDRC is compliant with FIFA's own principles. Therefore, an NDRC is competent to adjudicate on a case-by-case, ad hoc basis and has led FIFA to the conclusion that the current regulatory framework has become unsatisfactory to meet the contemporary needs of football stakeholders.

What are the key minimum criteria which an NDRC must meet?

The framework sets out the following criteria to which an NDRC must conform in order to gain official recognition by FIFA, which can be broadly broken down as follows:

- its jurisdiction is confined to hearing disputes related to, or arising out of, the contractual relationship between employees (players and coaches) and employers (clubs)
- it must be competent to hear disputes of a national dimension^[1]
- it must ensure various other conditions, as further detailed within the framework, are met with regards to composition of the NDRC panel, employer (club) representatives, and employee (players / coaches) representatives to ensure independence, impartiality and the right to fair procedure

The new recognition procedure timeline for NDRCs

Before, member associations of FIFA had to apply for official licence on behalf of the NDRC for official recognition via the FIFA Legal Portal by 1 June 2024. Should a member association's application be deemed successful by FIFA by 1 January 2025, the new system will enter into full effect at which point any NDRC without official recognition will no longer be competent to adjudicate on disputes.

Official recognition will expire after four years, at which point member associations will have to apply for renewal of recognition on behalf of the relevant NDRC. It should also be noted that FIFA have reserved the power to revoke official licences, meaning that an NDRC cannot simply alter their practices after obtaining a licence. FIFA must be consulted before any changes are made to an NDRC's officially recognised framework.

What the change means in Ireland

Despite the fact FIFA have stated that it supports and promotes the establishment of NDRCs, the framework does not make it incumbent upon any member association, such as the Football Association of Ireland (FAI), to establish an NDRC. Although some member associations currently do not have operating NDRCs, the Governance Handbook of the FAI does establish the existence of an NDRC in this jurisdiction. The new regulations provide that it will be for the relevant country's member association to apply for an official licence on behalf of their NDRCs.

Therefore, if such employment-related disputes are to continue to be heard in this jurisdiction, the FAI's NDRC will have to ensure its current framework is compliant with the principles established by the framework discussed as set out by FIFA. While the FAI won't be required to adopt FIFA's sample regulations verbatim, NDRCs must conform to and implement the substantive principles of those enshrined in the new NDRC framework established by FIFA. A final important point of note is that the NDRC of the FAI will have to publish all of its decisions on its official website upon full entry into force of the regulations.

Conclusion

After almost two decades without any updates to the rules governing NDRCs, this overhaul has been acknowledged by FIFA itself as a landmark modernisation of the regulations governing NDRCs. The reform is generally considered a welcomed update which will provide the legal certainty and clarity required of the regulations in this area. Although members associations will face slightly enhanced administrative burden, particularly initially, it is thought that the changes will be for the benefit of the industry as a whole as it should offer a swift and less expensive method of resolving these disputes at a domestic level.

Footnotes

[1] Disputes of a national dimension are those which are purely domestic in nature where there is no cross-border international element to the dispute, for example a dispute between an English player and a Premier League club. The framework provides that an NDRC may only accept jurisdiction in relation to disputes maintaining an international dimension if the relevant employment contract contains an express clause conferring exclusive jurisdiction for disputes arising out of or in connection with the respective employment on the NDRC or if such exclusive jurisdiction is conferred by a collective bargaining agreement at national level.

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