

## **2016 FIFA REFORM COMMITTEE**

### **STATUS OF REVIEW AND PRELIMINARY RECOMMENDATIONS**

**(OCTOBER 20, 2015)**

In order to restore confidence in FIFA, significant changes to FIFA's institutional structure and operational processes are necessary to make them more transparent and accountable. Essential changes to the culture of FIFA are necessary to effect lasting change on the organization and to restore FIFA's reputation so that it can focus on its mission: to promote football throughout the world.

### **2016 FIFA REFORM COMMITTEE**

Members of the 2016 FIFA Reform Committee were appointed by the six Confederations of FIFA in August of 2015 and have been led by an independent chairman, Dr. Francois Carrard. The Reform Committee met in Bern, Switzerland on September 2 and 3, 2015 and again from October 16 through 18, 2015. Further meetings are planned for mid-November 2015. The Reform Committee plans to issue its report to the Executive Committee of FIFA at its December 2015 meeting in order to recommend relevant and appropriate changes to the statutes and regulations of FIFA to address this crisis in confidence with the goal to improve the governance, transparency and culture of FIFA. It is expected that these recommendations and proposed changes to the statutes, if approved by the Executive Committee, will be submitted for consideration by the FIFA Congress in February 2016.

The status of the work in progress is set forth below:

### **REFORM PRINCIPLES**

At this stage two sets of principles are proposed:

- Principles of governance reform
- Principles of leadership for FIFA to effect cultural change.

Each are as important as the other. The Reform Committee expects to make additional recommendations to change FIFA's governance and further detail its recommendations through a draft of the proposed statutes for consideration by the Executive Committee in December 2015.

### **PRINCIPLES OF GOVERNANCE REFORM**

Below are reform principles that, when implemented in the form of revised statutes and regulations, attempt to address deficiencies in the governance and operations of FIFA that have put FIFA's reputation and ultimately, its mission at risk. The Reform Committee's preliminary recommendations propose that FIFA, its Executive Committee and Congress enact changes to its governance structure, contract processes and operations to improve efficiency, prevent fraud and conflicts of interest and increase transparency in the organisation.

- **Clear separation between "political" and management functions of FIFA**
  - The Executive Committee of FIFA should oversee strategic matters and have a supervisory role over standing committees and FIFA administration. It should not have

executive powers over policies of FIFA. To reflect its more appropriate function, the name of the committee should be changed to the “FIFA Council”.

- The President of FIFA shall chair the FIFA Council and shall be accountable to the FIFA Council and shall supervise the work of the FIFA administration.
- The General Secretary shall be the Chief Executive Officer of FIFA. FIFA administration comprising the office of the General Secretary shall execute day to day operations by implementing policies and strategy of the organization as defined and directed by the FIFA Council. The General Secretary may only be dismissed by action of the FIFA Council.
- Strengthen the organisation’s compliance function further through the creation of a Directorship of Compliance.
- **Greater financial transparency and control**
  - Revised role of FIFA Council to define policy and strategies to generate revenue, to prescribe the criteria for the distribution of funds to member associations generally and to approve the FIFA budget and annual financial accounts. The FIFA Council shall have no decision-making role over the execution of policies to generate or allocate funds.
    - *Revenues (“Money-In”)* – FIFA administration to execute all efforts to generate revenue (marketing, sponsorship, World Cup revenues etc.) and is accountable and responsible to the FIFA Council.
    - *Development and Expenses (“Money-Out”)*
      - Development Committee to include not less than three independent members to decide on specific grants of funds to member associations or projects with administrative assistance from FIFA administration.
      - Finance Committee consisting of a majority of independent members (including members competent in financial matters) to create and propose budgets and approving annual financial accounts with administrative assistance from FIFA administration for approval by the FIFA Council and submission to the FIFA Congress.
    - Fully-independent Audit and Compliance Committee (having members with expertise in auditing and financial statement matters) to oversee processes of generating and allocating funds by FIFA administration.
- **Elections and terms of members of the FIFA Council and the President**
  - Term Limits – Maximum of 12 years for the FIFA President.
  - Age Limits –74 years of age.
  - FIFA Council members shall be elected by FIFA member associations at their Confederation congresses in accordance with FIFA electoral regulations to be monitored

by FIFA and all candidates shall be subject to eligibility checks (including integrity tests) conducted by FIFA.

- **Review Number and Composition of Standing Committees**
  - Review the number of standing committees to improve efficiency yet ensure that member associations are involved in a more meaningful and efficient way in the decision-making processes of FIFA. The organization should devote resources to involve all its member associations through annual or biannual conferences to promote the core values and mission of FIFA such as football development, integrity, social responsibility, governance and human rights and address current and future challenges such as match-fixing, security issues and racism.
  - Audit and Compliance, Compensation and Nominations committee to be fully independent.
  - Organising, Football, Associations, Players' Status, Referee and Medical committees to be comprised of representatives of member associations, subject matter experts and relevant stakeholders as needed.
- **Transparency**
  - Disclosure of individual compensation on an annual basis of the FIFA President, all FIFA Council members, the General Secretary and all chairman of independent standing and judicial committees.
  - Compensation of these individuals to be reviewed and approved by fully independent Compensation Committee relying on third party compensation analysis.
- **Greater Recognition of the Role and Promotion of Women in Football**
  - FIFA should recognize that women represent the biggest growth and development opportunity to football and that football's governance, internationally and at the regional levels, need to include more women to create a more diverse decision-making environment and culture.
  - Each Confederation shall have at least one voting FIFA Council seat for women
  - Review statutory and regulation changes to encourage and enhance gender equality in the game.

#### **PRINCIPLES OF LEADERSHIP FOR FIFA TO EFFECT CULTURAL CHANGE**

Strong organizations are distinguished not only by their products and services, but by their leaders. Leaders take responsibility when things go awry and when the organization is at risk. FIFA and its member associations must unite around a core set of principles that communicate its seriousness of purpose to the public as well as enforce meaningful cultural reform to truly change the organization for the better.

These principles are as follows:

- **Responsibility.** It is easy to place blame on others who have clearly caused great harm to our sport, but it is no longer an option for leaders of FIFA. We must accept that FIFA bears the burden of righting its own ship. No one is absolved from recognizing FIFA's problems or accepting that it must be transformed to survive.
- **Humility.** FIFA's leaders must recognize and accept that the errors of the past were real, and they were unacceptable. No individual or organization is perfect. Sound reforms are only one component of a larger cultural shift needed to truly create positive change throughout FIFA. This process is bigger than any one person or than any one of the Confederations or member associations that we represent.
- **Tone at the Top.** FIFA's leaders must set the tone to encourage an ethical culture from its executives, its staff, the FIFA Council, Confederations, member associations and stakeholders such as broadcasting and marketing partners, sponsors and other vendors. Unethical behavior cannot be tolerated and must be condemned and acted upon, loudly and overtly by FIFA's leaders. Individuals must feel that FIFA's leaders encourage identifying wrongdoing and unethical behavior and that reporting such behavior is not discouraged but rewarded.
- **Respect.** The issues we have committed to solve have a long and complicated history. There will be vigorous debate among FIFA's leaders, member associations, stakeholders, the media and other critics. In these debates, we must remember to show respect for each other. The proposed reforms will be heavily scrutinized, and all of us will have to stand by them. The respect we give each other, and the integrity we use in our language about each other and the importance of these reforms, will have an enormous impact on how the reforms themselves are received and perceived.
- **Candor.** It is abundantly clear that football fans and our commercial partners will no longer accept anything short of full transparency in how football is governed at the global, regional, and local level. We should expect nothing less from each other. Each of us has perspectives on reform and it is critical that FIFA remains a forum for honest and open discussions. And publicly, FIFA will be well-served by making comments that recognize the truth of the situation: FIFA has a long road ahead, it needs serious organizational and cultural reform, and all of us, as FIFA members, are committed to both.

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### 2016 FIFA Reform Committee

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Shk. Ahmad Al Fahad Al Sabah	Kuwait (AFC)
Kevan Gosper	Australia (AFC)
Hany Abo Rida	Egypt (CAF)
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Victor Montagliani	Canada (CONCACAF)
Samir A. Gandhi	United States (CONCACAF)
Gorka Villar	Spain (CONMEBOL)
Wilmar Valdez	Uruguay (CONMEBOL)

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New Zealand (OFC)  
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