

# COVID-19—The Impact on English Football

April 6, 2020

Sports

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Following a meeting of representatives from all English Premier League (EPL) clubs Friday April 3, it was announced that EPL fixtures were postponed indefinitely and would not be returning in May, as stated previously. The EPL announced that the 2019/20 football season would only resume when “it was safe and appropriate” to do so, subject to Government agreement and medical guidance. The English Football League (EFL) confirmed that the Championship, League One, and League Two would follow the EPL and that those leagues would also remain suspended for an indefinite period.

While other measures included in the announcement—including news that EPL players will be asked to accept a 30 per cent wage cut and that the EPL will provide £125 million for clubs in the EFL and National League—will be welcomed by the wider football community, confirmation of an indefinite pause to the 2019/20 season gives rise to increased uncertainty for clubs and brings a number of legal issues into sharp focus.

## Contractual Issues

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Professional footballers playing in the EPL and EFL, and all major European leagues, are typically given (permanent or loan) contracts based on the calendar of the football season that expires on June 30, after which the player becomes a “free agent” and is entitled to seek employment at a new club. A significant proportion of players in the EPL and EFL will be in this situation. Historically, such players have been able to command higher wages since their new club has not paid a transfer fee, meaning there is a significant disincentive for players who will soon become free agents to sign a new contract with their existing club. The same issue applies, albeit to a lesser extent, to managers and coaches.

If the football season can be resumed, FIFA, world football’s governing body, has suggested extending the contracts of footballers, managers, and coaching staff to the revised end of season date. However, neither FIFA nor any other national football organisation has the legal power to impose such a contract extension and it may be difficult for clubs to convince players who have lucrative offers elsewhere to extend their existing contract, particularly when they might risk an injury that could jeopardise their impending transfer.

Further, clubs may not be able to afford to grant players contract extensions to the end of an extended season, particularly in the lower leagues of the EFL where clubs often operate on very tight budgets and depend predominantly on gate receipts for revenue. While the £125 million pledged by the EPL to the EFL last Friday is a significant sum, it is very unlikely to cover the financial damage that a protracted break from football will inflict on the EFL’s smaller clubs. The

EFL may find itself in a situation where wealthier clubs at the top of the Championship seek help from the footballing authorities to coerce players into agreeing short-term contract extensions, while clubs in the lower divisions of the EFL face several games to finish the season and cannot afford to retain their out of contract squad players leaving them significantly stretched and throwing the integrity of playing the remaining games into question.

## **Transfer Window**

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The hiatus also gives rise to issues in respect of the transfer window, the period during which players are permitted to move between clubs in the English leagues, which opens on July 1. Under EPL and EFL rules players who are free agents are not permitted to enter into pre-contract arrangements with other clubs outside of this window. Under FIFA's proposals, the transfer window would be delayed until the end of the extended football season. The timing of the transfer window is determined by football authorities and therefore the EPL and EFL do have the power to delay the window in line with any extension to the season.

Therefore, in theory, a significant number of players may reach the end of their contract and be prevented from signing for a new club until the extended season is completed. This result would not be desirable for any of the parties involved.

## **Sporting Integrity**

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Despite the issues outlined above, an extension to the current season remains the favoured option for most of football's governing bodies, primarily because there are no credible alternatives. Other suggestions that have been mooted, including the completion of the EPL in China or the accelerated completion of the season over an intensive three-week period, are likely to be rejected by clubs. Indeed, there will be an enormous amount at stake for many clubs at the end of the season—including championships, European qualification, promotion, and relegation—and fundamental changes to the structure and rules of the leagues at this late stage of the season would be highly controversial and would no doubt give rise to fundamental questions about the sporting integrity of the competitions.

One alternative to extending the season that football authorities remain very keen to avoid is to decide that the current season cannot be completed. In this situation football authorities will face extremely difficult decisions about how best to deal with the 2019/20 season. The EPL and EFL will need to consider various solutions, for example whether it is preferable to declare the current season null and void, or determine promotion and relegation based on current league standings, in the knowledge that whatever decision is made is almost certain to lead to criticism, significant financial harm for some clubs, and potential legal challenges by clubs disadvantaged by the decision.

This issue has been further complicated in recent days by the decision of the Belgian Football Association to announce the end of the 2019/20 season in Belgium—against the advice of UEFA, the European football association. This move raises questions about how European football competitions will function if a situation arises in which different nations end up following different football calendars. For example, it is possible that Belgium's 2020/21 season may start in August while the EPL and other European leagues resume their 2019/20 season. If there is a significant divergence between the approaches of Europe's major leagues, the difficulties with player

contracts and transfer windows discussed above will be exacerbated given the frequency with which players transfer between European clubs in different countries.

## Long-term Impact

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Modern football operates on a tight schedule with very little of the year entirely free from the game. Therefore, the length of delay caused by COVID-19 and the decisions taken by football authorities in response to the pandemic could have far-reaching and long-lasting consequences for the football calendar. UEFA intends to hold the European Championships in the summer of 2021 and FIFA intends to hold the first winter World Cup in Qatar in 2022. These international tournaments are flagship events with enormous commercial implications for the parties involved, and the international footballing authorities will want to avoid further disruption to them at all costs. As the indefinite delay to English football continues, international football authorities may begin to exert greater pressure on domestic organisations to protect their own tournaments, further complicating the difficult decisions that lie ahead for the EPL and EFL in the coming months.

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