

Contents

	<i>Page</i>
ACKNOWLEDGMENTS	
FÉLIX PLAZA ROMERO	21
PROLOGUE	
JAVIER GÓMEZ MOLINA	23
INTRODUCTION	
FÉLIX PLAZA ROMERO	27
NOTE	29
ACRONYMS / ABBREVIATIONS	31
ARGENTINA	
EZEQUIEL LIPOVETZKY, MAXIMILIANO YUDICA AND LUCAS ROSSO	33
1. Introduction	33
2. General considerations on income tax	34
2.1. <i>Argentine Tax Residents</i>	35
2.2. <i>Foreign Beneficiaries</i>	37
2.3. <i>Double Tax Treaty</i>	37
3. Main income tax considerations applicable to football players and football clubs	38
3.1. <i>Federative and economic rights</i>	38
3.2. <i>Taxation on income obtained by football players (salary and their share on a transfer)</i>	38

	<i>Page</i>
4. Specific income tax considerations applicable to profits derived from the transfers of football players (domestic and international transfers)	41
4.1. <i>Income obtained by Argentine Entities (i.e., football clubs and other Argentine Entities)</i>	<i>41</i>
4.2. <i>Income obtained by foreign transferors</i>	<i>43</i>
4.3. <i>Application of DTTs to international transfer of football players</i>	<i>44</i>
5. Social security regime for Argentine footballers	45

BRAZIL

ANDRÉ NOVASKI AND DORA PIMENTEL	47
1. Introduction	47
2. Brazilian tax residence rules applicable to football players	48
3. Income taxation at the level of the football players.....	51
3.1. <i>General aspects</i>	<i>51</i>
3.2. <i>Football player considered a Brazilian tax resident</i>	<i>53</i>
3.3. <i>Football player considered non-resident for tax purposes in Brazil</i>	<i>56</i>
3.4. <i>Football players and taxation under Brazilian DTTs</i>	<i>58</i>
4. Exploitation of football players' image rights.....	61
5. Exit tax.....	67
6. Taxation on transfers of players.....	68
7. Social security contribution regime	73

CHINA

FRANK TAO	75
1. Introduction	75
2. Rules for determining the status of tax residents in China..	76
3. PIT rates for football players in China.....	77

CONTENTS

	<u>Page</u>
3.1. <i>Overview of PIT for football players</i>	77
3.2. <i>Application of income tax for transfer-related income</i>	78
4. Chinese special tax policies for foreign football players	79
4.1. <i>Introduction to special tax policies</i>	79
4.2. <i>Applicability and impact on transfer of foreign players</i>	80
5. Tax issues regarding football players' image rights income	81
5.1. <i>Tax treatment principles for image rights income</i>	81
5.2. <i>Tax risk points</i>	82
5.3. <i>Compliance key points</i>	82
6. Tax issues regarding football players' international transfer fees and termination fees	83
7. Tax issues regarding social insurance	84
8. Conclusion and suggestions	84

FRANCE

ROMAIN DAGUZAN AND BAPTISTE RICHARD	87
1. Introduction	87
2. Tax residence rules	88
2.1. <i>Internal tax residence rules</i>	88
2.2. <i>Tax residence rules provided for by DTT</i>	89
3. Income tax rates	91
3.1. <i>Regular tax rates applicable on income in France</i>	91
3.2. <i>Additional tax provisions on high income</i>	93
4. Special regime for employees moving to France (so-called "impatriation regime")	94
4.1. <i>Exemptions on employment income</i>	94
4.2. <i>Exemptions on certain foreign-source income</i>	95
4.3. <i>Reference remuneration requirement</i>	95
5. Special tax regime for players and their image companies ..	96
5.1. <i>General rules</i>	96

	<u>Page</u>
5.2. <i>Scope of article 155 A FTC</i>	97
5.3. <i>Application where the foreign company is in a non-privileged jurisdiction</i>	98
5.4. <i>Application where the foreign company is in a privileged jurisdiction</i>	98
5.5. <i>Key points for football players</i>	99
6. Exit tax	99
6.1. <i>General principles</i>	99
6.2. <i>Application to professional football players</i>	100
7. Termination and buy-out clauses	101
7.1. <i>General rules</i>	101
7.2. <i>Tax treatment of termination compensation</i>	101
8. Taxation of international transfers of players	102
8.1. <i>Sums paid directly to the player</i>	102
8.2. <i>Determining the period of French tax residence</i>	102
8.3. <i>Tax implications for clubs - transfer fees</i>	103
9. Social security contributions regime	106
9.1. <i>Employment income</i>	106
9.2. <i>Investment income</i>	107
10. Other taxes (VAT, Wealth, Inheritance & Gift)	108
10.1. <i>VAT applicable to players</i>	108
10.2. <i>Real Estate Wealth Tax</i>	108
10.3. <i>Inheritance and Gift Tax</i>	109

GERMANY

CARSTEN SCHLOTTER AND PHILIPP DIFFRING.....	111
1. Introduction	111
2. Standard tax year and filing obligations	113
3. Tax residence rules applicable to football players	113
4. Church tax issues	116

	<i>Page</i>
5. Football player considered resident in Germany	116
5.1. <i>Typical income structure of a football player</i>	116
5.2. <i>Applicable tax rates</i>	118
5.3. <i>Special payments</i>	119
5.4. <i>Foreign matches</i>	119
6. Payments to the player in a loan situation	120
7. Payments at the end of an employment relationship	120
7.1. <i>Outbound cases</i>	121
7.2. <i>Inbound cases</i>	121
8. Tax-deductible income-related expenses	122
9. Special tax regime: inpatriate tax status and fringe benefits	123
9.1. <i>No Special tax regime</i>	123
9.2. <i>Tax-exempt fringe benefits</i>	123
9.3. <i>Additional deductions and reliefs</i>	124
9.4. <i>Child benefits</i>	124
10. Income from the national team	125
11. Taxation principles for non-resident players	126
12. Image rights taxation/anti-abuse rules and structuring	127
13. Exit tax and extended limited tax liability	129
13.1. <i>Section 16(3a) EStG</i>	130
13.2. <i>Section 6 AStG</i>	130
13.3. <i>Extended limited tax liability</i>	131
14. Taxation principles of international transfers and loans of players	131
14.1. <i>Acquiring clubs in Germany</i>	131
14.2. <i>Foreign clubs</i>	132
15. Social security contributions	133
15.1. <i>Private health insurance and employer subsidy</i>	134
15.2. <i>Self-employment</i>	134

ITALY

MARCO VALDONIO AND MAURO MESSI	135
1. Introduction	135
2. Standard tax residence rules applicable to football players	136
3. Classification of income earned by professional football players.....	138
4. Taxation of income derived by football players from their sport performances	139
4.1. <i>Italian tax resident football player</i>	140
4.2. <i>Non-Italian tax resident football players</i>	143
5. Taxation of income deriving from the exploitation of image rights.....	144
5.1. <i>Income qualification</i>	144
5.2. <i>Taxation of income deriving from the exploitation of image rights</i>	145
6. Special tax regimes applicable to individuals moving to Italy	147
6.1. <i>The “impatriate regime”</i>	147
6.2. <i>The lump sum tax regime.....</i>	150
7. Exit tax.....	151
8. Termination and buy-out clauses	151
8.1. <i>Termination clauses.....</i>	151
8.2. <i>Buy-out clauses</i>	153
9. Taxation of transfers of players.....	154
9.1. <i>National transfer of players.....</i>	154
9.2. <i>International transfer of players</i>	156
10. Social Security contribution regime	157

NETHERLANDS

SANDER MICHAËL, MARTHE VAN DRIEL AND NIELS MELOEN	159
1. Introduction	159

CONTENTS

	<i>Page</i>
2. Standard tax residence rules applicable to football players	160
2.1. <i>Tax residence</i>	161
2.2. <i>Dual residence</i>	161
3. Tax rates applicable to football players for the purposes of direct tax on income	162
3.1. <i>Football player considered Dutch tax resident</i>	162
3.2. <i>Football player considered non-resident for tax purposes in the Netherlands</i>	163
3.3. <i>Relief from double taxation</i>	163
4. Special tax regime for inbound expatriates (“expatriates tax regime”)	164
5. Tax treatment of football players’ image rights	166
6. Other tax advantages to consider	166
7. Exit tax	168
8. Termination or buy-out clauses	170
9. Taxation of international transfers of players	171
9.1. <i>Tax treatment at club level</i>	171
9.2. <i>Cross-border transfers and WHT</i>	172
9.3. <i>Taxation of transfer-related payments to players</i>	172
10. Social security contribution regime	173

PORTUGAL

MIGUEL PIMENTEL AND JOSÉ DIOGO MEGRE	175
1. Introduction	175
2. Standard tax residence rules for football players	176
3. Tax rates applicable to football players for the purposes of direct taxes on income (both earned by Portuguese tax residents and income earned by non-residents)	178
3.1. <i>Portuguese-resident footballers</i>	178
3.2. <i>Non-resident football players</i>	181
4. Special tax regime for individuals moving to Portugal	183

	<u>Page</u>
4.1. <i>Inbound expatriates incentives as of 2025:</i>	183
4.2. <i>Tax benefits for returning Portuguese players (ex-residents)</i>	184
5. Special tax regime related to the exploitation of football players' image rights	184
6. Other tax advantages to consider	187
6.1. <i>Youth tax incentive (PIT Jovem)</i>	188
6.2. <i>Absence of wealth and inheritance tax</i>	188
6.3. <i>Other exempt income</i>	188
6.4. <i>Business expenses for clubs</i>	189
7. Exit tax	189
8. Termination or buy- out clauses (cláusulas de rescisão)	190
9. Taxation of international player transfers of players	191
9.1. <i>Transfer fee from a Portuguese club's perspective</i>	192
9.2. <i>Transfer fee from the foreign club's perspective</i>	192
9.3. <i>VAT on international transfers</i>	194
10. Social security contribution regime	194

QATAR

SAIF ABDULELAH AND SHIRAZ KHAN	197
1. Introduction	197
2. Tax residence rules	198
2.1. <i>Standard tax residence rules applicable to football players..</i>	198
2.2. <i>DTTs</i>	199
3. Direct taxes applicable to resident football players	199
3.1. <i>CIT regime</i>	199
3.2. <i>Exemptions for Qatari nationals</i>	201
3.3. <i>Taxable income and rate</i>	201
4. Direct taxes applicable to non-resident football players	202
4.1. <i>WHT</i>	202

CONTENTS

	<i>Page</i>
4.2. DTTs.....	203
5. Club transfer fees.....	204
5.1. <i>Transfers by Qatar resident clubs</i>	204
5.2. <i>Transfers by non-resident clubs</i>	206
6. VAT	206
7. Social security contributions	207

SAUDI ARABIA

SAIF ABDOLELAH AND SHIRAZ KHAN	209
1. Introduction	209
2. Tax residence rules.....	211
3. Direct taxes applicable to resident football players	214
4. Direct taxes applicable to non-resident football players	218
5. Club transfer fees and exit considerations	221
5.1. <i>Transfers by KSA resident clubs</i>	221
5.2. <i>Transfers by non-resident clubs to KSA resident clubs.....</i>	223
6. VAT	224
6.1. <i>Taxable persons.....</i>	224
6.2. <i>Taxable supply of goods and services</i>	225
6.3. <i>Export of services — zero-rating</i>	225
7. Social security contribution regime	226

SPAIN

FÉLIX PLAZA AND BELTRÁN SÁNCHEZ	229
1. Introduction	229
2. Standard tax residence rules applicable to football players	230
3. Tax rates applicable to football players for the purpose of direct taxes on income.....	232
3.1. <i>Football player considered a Spanish tax resident</i>	233

	<i>Page</i>
3.2. <i>Football player considered non-resident for tax purposes in Spain</i>	236
4. Special tax regime applicable to individuals moving to Spain (“inbound expatriates’ regime”)	237
5. Special tax regime related to the exploitation of football players’ image rights	240
6. Other tax advantages to consider	243
6.1. <i>Outbound expatriates’ regime</i>	243
6.2. <i>Contributions to the social welfare plan for professional athletes</i>	243
7. Exit tax	244
8. Termination or buy-out clauses	245
9. Taxation of international transfers of players	247
10. Social security contribution regime	250

SWITZERLAND

NATALIE DINI AND LUCA ASPESI.....	253
1. Introduction	253
2. Standard tax residence rules applicable to football players	254
3. Tax rates applicable to football players for the purposes of direct taxes on income (both income earned by Swiss tax residents and income earned by non-residents)	257
3.1. <i>Football player considered a Swiss tax resident</i>	258
3.2. <i>Football player considered non-resident for tax purposes in Switzerland</i>	263
4. Special tax regime applicable to individuals moving to Switzerland (“lump sum taxation”)	264
5. Special tax regime related to the exploitation of football players’ image rights	266
6. Other tax advantages to consider	268
7. Exit tax	269
8. Termination or buy-out clauses	270

CONTENTS

	<i>Page</i>
9. Taxation of international transfers of players	272
10. Social security contribution regime	273

UNITED ARAB EMIRATES

SAIF ABDOLELAH AND SHIRAZ KHAN	277
1. Introduction	277
2. Tax residence rules.....	278
2.1. <i>Tax residence rules for CIT purposes</i>	278
2.2. <i>Tax residence in UAE — Other than for CIT purposes.....</i>	280
3. Direct taxes applicable to resident football players	282
3.1. <i>Applicability of CIT</i>	282
3.2. <i>DTT considerations.....</i>	283
4. Direct taxes applicable to non-resident football players	283
5. Club transfer fees.....	284
5.1. <i>Transfers by UAE resident clubs</i>	284
5.2. <i>Transfers by non-resident clubs</i>	285
6. VAT	286
6.1. <i>Taxable Persons</i>	286
6.2. <i>Business.....</i>	286
6.3. <i>Taxable supply of goods and services</i>	287
6.4. <i>Export of Services — zero-rating.....</i>	287
7. Social security contributions	288

UNITED KINGDOM

ELISSAVET GROUT, TOM MARGESSON AND AMY BRODERICK	289
1. Introduction	289
2. Standard tax residence rules applicable to football players	289
2.1. <i>Football players transferred to the UK.....</i>	289
2.2. <i>Football players transferred from the UK</i>	292

	<i>Page</i>
3. Income tax rates and national insurance contributions applicable to football players	293
4. The exploitation of football players' image rights	293
5. Agency fees	295
6. Transfer fees	296
6.1. <i>Transfer to UK club from overseas club</i>	296
6.2. <i>Transfer from UK club to overseas club</i>	297
PARTICIPATING LAW FIRMS	299