



Media Statement
For immediate release
10 July 2018

FOOTBALL AGENT STRIKES DEAL WITH COMMISSION FOR CARTEL INVOLVEMENT

The Competition Commission has referred to the Competition Tribunal for confirmation as an order a consent agreement reached with Quality Talent Sports (Pty) Ltd (QTS), a sports agency representing players and coaches mainly in the Premier Soccer League.

QTS has agreed to pay a fine of R114 168.84 (one hundred and fourteen thousand, one hundred and sixty eight rand and eighty four cents) after it pleaded guilty to charges of fixing the price of commission fees and fixing trading conditions.

QTS, the South African Football Intermediaries Association (SAFIA) and 35 other football intermediaries were referred to the Tribunal for prosecution in September last year. The Commission uncovered collusion among the total of 37 accused, who negotiate transfer fees and contracts for football players and coaches.

The investigation revealed the following, among others:

- SAFIA and its members agreed to charge soccer players and coaches a standard 10% commission fee when negotiating transfer fees and contracts on their behalf;
- They charge football players a standard 20% commission fee when negotiating commercial contracts; and
- They use SAFIA as a platform for collusion.

In its settlement agreement with the Commission, QTS has undertaken to cooperate fully in the prosecution of the other accused companies. This includes testifying before the Tribunal, providing evidence (written or otherwise) and agreeing to refrain from engaging in cartel conduct.

QTS has also agreed to attend a competition law compliance training programme and to make the training materials available to all employees, managers, directors and agents annually, to ensure they comply with the Competition Act.

“It’s encouraging to see someone who owns up and undertakes to assist the investigation and prosecution, not waste our time and valuable resources. In turn, QTS has been able to negotiate palatable settlement that take into account of the fact that they have shown remorse and regret their unlawful actions,” says Competition Commissioner, Tembinkosi Bonakele.

Although the matter against SAFIA and the other accused companies is currently being prosecuted in the Tribunal, the Commission remains open to negotiations.

Background

In May 2015, the South African Football Association (SAFA) acting on instructions of FIFA sought to regulate the affairs of football agents, including to reduce the 10% commission to 3%. SAFIA blocked this attempt through a court interdict.

In July 2015, the Commission received a complaint from SAFIA against SAFA. SAFIA alleged that the 3% cap introduced by SAFA constitutes fixing of an agent's fee in contravention of the Competition Act. Following an investigation, the Commission decided not to prosecute the matter.

However, during its investigation, the Commission obtained evidence that SAFIA and its members may have engaged in collusive conduct by fixing the commission they charge football players and coaches. In December 2015, the Commissioner launched an official investigation against SAFIA and its members.

The accused in the matter are: South African Football Intermediaries Association; Pro Sport International; Siyavuma Sports Group; The Players Club; Bidvest Media (Pty) Ltd, trading as MSC Sports; Quality Talent Sports; Prof' Sionalz Marketing and Management; JDR Consulting; P Management; Musawenkosi Arthur Dlamini; Tebogo Taunyane Hlapolosa; GS Sports Agency; Erika Bester; Sierra Sports Agency; KN Sports; Bheki Khathide; Liberate Resources Sports Management; Eclectic Sports Management; On the Ball Sports Management; Touchline Sports Management; True Ambition Sports Management; Eliot Nzama; Ben Kokela; ETM Sports Management; Sports Midfield Agency; Alex Bondarenko; Mede8 Sports; New Generation Sports Management; Abelsam Sports Management; Cape Colosseum Management; Siphon Shaven; MVP Sports Management International; Modhouma Holding; Gladwin Mpho Diokane; Vasili Barbis; Phelele Mkhize and MS Sport Management.

[ENDS]

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