



FROM CLAUSE TO CONTRACT: THE ROLE OF PLAYER CONTRACTS IN PUBLIC LIMITED SPORTS COMPANIES IN MOROCCO

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ABSTRACT :

This article presents a review of the literature on professional player contracts in sports corporations (SA sportives) in Morocco, viewed both as a legal instrument for organizing sports-related work and as an economic asset that shapes the transfer market. By cross-referencing Moroccan positive law (the Dahir establishing the Code of Obligations and Contracts, Law No. 30-09 on Physical Education and Sports, Law No. 17-95 on Corporations, and the Labor Code), FIFA's international regulations (Regulations on the Status and Transfer of Players), and the case law of the Court of Arbitration for Sport (CAS), the available scholarly literature identifies three converging findings: (i) the player contract is a hybrid in nature, falling at the intersection of an employment contract and a performance contract; (ii) the contract clause—in terms of its duration, renewal, termination, and transfer provisions—constitutes the central vehicle for value creation for the sports corporation; (iii) the Moroccan market remains largely unexplored by legal scholarship, even as the growing professionalization of clubs (Wydad, Raja, AS FAR) transforms the player contract into a source of financial data (valuation, amortization, capital gains on transfers). Finally, the article identifies gaps in the research and suggests methodological approaches for future empirical studies. Mots-clés : contrat de joueur ; société anonyme sportive ; marché des transferts ; droit marocain ; FIFA ; Tribunal arbitral du sport ; gouvernance sportive.

Keywords: player contract; sports corporation; transfer market; Moroccan law; FIFA; Court of Arbitration for Sport; sports governance.

Introduction

Since the enactment of Law No. 30-09 on Physical Education and Sports (2011), professional sports in Morocco have undergone a profound legal transformation: sports associations competing in professional leagues were first encouraged, and then required, to adopt the structures of commercial entities, paving the way for the formation of sports corporations. This shift, symbolically completed by the corporate restructuring of the major clubs (Wydad Athletic Club, Raja Club Athletic, AS FAR), shifts the focus of sports law: it is no longer the association governed by the law on associations, but the commercial corporation, subject to corporate law, that becomes the framework for professional sports activities.

However, in a sports corporation, the primary economic asset is neither the stadium nor the brand: it is the contract that binds the player to the company. This contract is paradoxical. On the one hand, it is an employment contract, subject to the Moroccan Labor Code and the industry's standard contract; on the other hand, it serves as the legal basis for a player's right and which is the subject of an international market regulated by FIFA. The term clause, the re-signing clause, the transfer clause, and the buyout clause are not mere stipulations: they are the mechanisms through which the player's value is generated, locked in, exchanged, or destroyed.

This dual nature of the player's contract raises questions about traditional Moroccan private law. The Dahir of August 12, 1913, establishing the Code of Obligations and Contracts, was designed for an economy in which free individuals offer their services: how does it address a contract whose subject matter is a body, an image, or an uncertain performance, and whose termination may give rise to compensation calculated according to sports-specific criteria (RSTP, Art. 17)? How does a sports corporation reconcile the asset-based logic of corporate law (depreciable assets, capital gains on disposal) with the protective logic of labor law (job security, prohibition on forced re-employment)?

The objective of this article is to provide an overview of the literature on the role of player contracts in Moroccan sports corporations, in order to identify achievements, gray areas, and avenues for further research. The issue can be broken down into three questions: (1) What is the legal nature of a player contract in the Moroccan system? (2) How do contractual clauses shape a player's economic value and the transfer market? (3) What specific challenges does the structure of a sports corporation pose for contract management?

Methodology

This study employs a systematic narrative literature review method, inspired by review protocols in management sciences, based on three principles: documented comprehensiveness, triangulation of sources, and traceability of statements.

Corpus and sources

Four sources of documentation were drawn upon:

- A. Moroccan positive law: Law No. 30-09 on physical education and sports (Dahir No. 1-11-84 of July 30, 2011, Official Gazette No. 5957), Law No. 17-95 on corporations (1996), the Labor Code (Law No. 6 5-99, 2003), the Dahir of August 12, 1913, establishing the Code of Obligations and Contracts (DOC), the standard employment contract for professional soccer
- B. players (ministerial decree of 1996), and the regulatory texts of the Royal Moroccan Soccer Federation (FRMF).
International sports law: FIFA's Regulations on the Status and Transfer of Players (RSTP) in their current edition (2024–2025), Annexes 4 and 5 thereof (training compensation, solidarity mechanism), the Clearing House Regulations (2022), and the FIFA Disciplinary Code.
- C. Case law: decisions of the Court of Arbitration for Sport (CAS) regarding contractual stability (notably the Matuzalem case, CAS 2008/A/1519, a landmark ruling on disproportionate termination compensation) and decisions of FIFA's dispute resolution bodies; as well as, to the extent they are published, the decisions of the Commercial Chamber of the Moroccan Court of Cassation regarding disputes between players and clubs.
- D. d) Legal theory and research: treatises on sports law (Karaquillo, Racine), seminal works on sports economics (Sloane, Scully, Morrow, Fort), academic journals (International Sports Law Journal, Journal of Sports Economics, European Sport Management Quarterly), and recent Moroccan studies in sports law and economics.

Selection Protocol

Sources were selected based on three criteria: thematic relevance (player contracts, the transfer market, the club's corporate structure), reliability (official documents, peer-reviewed journals, published case law), and recency (the Moroccan corpus dating from after 2011 was given priority). Sports news articles were excluded from the scientific corpus proper but were used as factual sources of context (corporate transformations of Moroccan clubs, transfer fees).

1.2. Methodological Limitations

Three limitations should be noted from the outset. First, Moroccan case law on this subject is only partially published: disputes between players and clubs are frequently settled out of court or before the FRMF's disciplinary bodies, thus avoiding systematic documentation. Second, Moroccan academic literature remains limited in scope and is often descriptive: it documents legal texts rather than theorizing about contractual practices. Third, the financial data of Moroccan sports corporations (book values of player rights, actual amounts of compensation) are not subject to consolidated publication, which currently precludes an econometric study of the national market this observation itself constitutes one of the study's conclusions.

The Player Contract: A Hybrid Legal Document

De la subordination à la qualification

The first point of contention in the literature concerns the nature of the contract. The dominant paradigm, both in comparative law and in Moroccan law, is that of the employment contract: the professional player is an employee, subject to the club's managerial authority (tactical decisions, training schedules, and a regulated obligation to achieve sporting results). This classification is enshrined in Morocco by the 1996 standard contract and by the practice of the CNSS, whose enrollment of professional players in the 1990s marked the founding moment of professionalism. Moroccan legal scholarship has extensively discussed this "salary-based status" of the player as a prerequisite for social protection (health coverage, workers' compensation, and retirement benefits).

A second approach, drawn from the economic theory of sports, emphasizes specificity: a player's contract cannot be reduced to an ordinary employment contract, because its subject matter is an uncertain, cyclical performance whose value depends on form, injury, and the market. Sloane (1971), in the seminal article on the economics of soccer, theorized that a player is an asset whose "reserve wage" differs from market value, generating rents that the transfer clause aims to capture. Applied to Morocco, this framework sheds light on a recurring paradox: the player is legally an employee but economically an asset.

A third line of research proposes a hybrid classification, which is now predominant in recent Moroccan dissertations: the player's contract is viewed as a special, technical employment contract, shaped by international sports law. This hybrid classification is practical: it explains why the termination of the contract is governed simultaneously by labor law (notice period, severance pay), the DOC (Articles 86 et seq. on wrongful termination, Article 327 on re-employment), and FIFA's RSTP (specific rules on termination for just cause and compensation under Article 17).

L'ombre portée de l'article 327 du DOC

Moroccan legal doctrine cannot address player contracts without referring to Article 327 of the DOC, which is derived from the French Civil Code and prohibits any forced re-engagement: it is not permissible to bind a person's consent for the future. Moroccan case law has long reconciled this principle with the practice of long-term soccer contracts: a club cannot indefinitely tie down a player. The literature highlights the tension between this liberal principle

and the investment logic of the public limited company (SA), which requires legal certainty regarding the asset's lifespan. The RSTP offers a transnational solution: the "protected period" (three seasons for contracts signed before the age of 28, two thereafter) constitutes a compromise between the stability expected by the club and the mobility sought by the player. Comparative literature (Karaquillo; Racine) has shown that this compromise, designed for Europe, is difficult to apply to peripheral transfer markets such as Morocco's, where resale value to Europe constitutes the central business model for clubs.

The Clause as a Technology for Creating Value

Duration: Fixing a value over time

In corporate law, a player's value to the corporation comes down to the remaining term of his contract: a player on a long-term contract is a secure asset; a player whose contract is about to expire is an asset facing imminent depreciation. The literature on sports finance (Morrow, 2003; studies on player valuation) has shown that rational clubs align their contractual strategy with the "valuation cycle": signing young players, extending contracts before they reach their peak, and selling them at the height of their value. Available research on Morocco describes an emerging but still instinctive practice: Moroccan sports corporations, lacking structured legal departments, negotiate contract extensions opportunistically rather than according to a policy of amortizing player rights. To date, no Moroccan study has quantified the residual value of professional players' contracts, which constitutes a major gap in the body of research.

La clause de transfert et le marché : l'indemnité comme prix de la rupture de la chaîne

International literature on transfers (compiled by FIFA and annotated by legal scholars) strictly distinguishes between three categories of compensation: (i) the transfer fee proper, freely negotiated between clubs when the player is under contract; (ii) the training compensation (RSTP, Art. 20 and Annex 4), payable until the end of the year in which the player turns 23 and calculated based on categorized training costs; (iii) the termination fee (RSTP, Art. 17), calculated based on the residual value of the contract, the compensation under the new contract, and the amortized acquisition costs. CAS case law has established a doctrine of proportionality: a termination indemnity may never exceed the residual value of the contract, thereby tempering the transferring club's incentive to retain the player.

When applied in Morocco, this system produces paradoxical effects documented by recent Moroccan studies: as a country that develops players (Raja, Wydad, but especially the affiliated academies and training centers), Morocco is a net exporter of players to Europe, and the training compensation calculated based on FIFA costs (Moroccan category) remains structurally lower than the actual value of the trained players, with the difference being captured by the European purchasing club. Conversely, when a Moroccan player terminates his contract without just cause, the soccer club is legally subject to the provisions of Article 17, under which FIFA case law requires rigorous accounting for amortized acquisition costs a practice that Moroccan soccer clubs, which have only recently become professional, rarely follow. The literature concludes that there is a "scissors effect": Morocco sells low (capped training compensation) and buys at a high price (residual value of European contracts) an asymmetry in which player contracts, as the vehicle for these financial flows, bear the full brunt of the mechanism.

Market governance provisions: solidarity, passport, intermediation

The RSTP also establishes the contract as a governance tool: the player's electronic passport (Art. 7), the prohibition on economic rights held by third parties (Art. 18ter, effective 2015), the solidarity mechanism (5% of the transfer fee distributed among the player's former clubs, Art. 21 and Annex 5), and the Transfer Matching System (TMS). For Moroccan sports corporations, these measures transform the contract into a starting point for reporting and transparency obligations: the sale of a player is no longer a private transaction but a traceable operation, reported in the TMS, and linked to the player's passport. Available Moroccan studies highlight the delay in national clubs' adoption of these tools: failure to report intermediation fees, lack of transparency regarding commissions, and the prevalence of "agents" operating outside the RSTP. As the contractual clause has become internationalized, it has exceeded the scope of Moroccan domestic law a phenomenon that legal doctrine refers to as the "normative externalization" of the player contract.

The sports corporation: an ill-suited vehicle?

The Complexity of Statutes

Law No. 30-09 mandated that professional clubs adopt a commercial structure without creating a special status for a "sports corporation" modeled after the French system (the 1984 Law on Professionalism) or the Spanish system (SAD, 1990). Moroccan legal literature agrees on this assessment: the

Moroccan sports corporation is an ordinary corporation (Law No. 17-95) applied to an extraordinary purpose. The doctrinal implications are threefold: (i) shareholder ownership conflicts with the logic of shareholder profitability (dividends), whereas the dominant economic model is capital gains on players, the distribution of which to shareholders would conflict with the logic of reinvestment in the sport; (ii) governance combines corporate bodies (board of directors, board of statutory auditors) and sports bodies (technical committees of the FRMF), without a clear hierarchy; (iii) corporate law does not address player assets: neither Law No. 17-95 nor the Commercial Code provides for the fate of rights attached to player contracts in the event of dissolution, merger, or transfer of control issues that comparative law has partially addressed through case law on affiliations and the transfer of league spots.

Conflict of Laws: Labor Law, DOC, Sports Code, FIFA

The sports corporation operates on a daily basis within a four-tier regulatory framework: the Labor Code (termination, dismissal, leave), the DOC (General Provisions on Obligations, Article 327), Law No. 30-09, and the FRMF's regulations (player status, standard contract, disciplinary rules), and the RSTP (jurisdiction of FIFA and the CAS for any dispute with an international dimension). Moroccan legal scholarship describes this system as "fragmented but de facto hierarchical": when an international dimension is present (a player transferred to or from abroad), the RSTP and the CAS apply almost automatically via Article 22 of the RSTP, resulting in the relocation of sports labor justice. Available studies highlight the small number of Moroccan disputes brought before FIFA bodies, which paradoxically deprives legal scholarship of foundational national case law on player contracts.

Discussion: Three Findings from the Review and Three Areas for Further Exploration

First observation: hybridization. The player contract in Morocco is now legally established as a specialized, internationalized employment contract; the classic doctrinal controversy (employment or service?) has been resolved, and the debate has shifted to the asset management of the player. Second observation: the clause has become the relevant unit of analysis. Value lies not in the contract as a whole but in the structure of its clauses whose arrangement determines the economic strategy of the corporation. Third observation: the empirical gap. While theory (sports economics, comparative law) offers well-developed analytical frameworks, empirical data from Morocco (contract data, consolidated financial statements, litigation) remains inaccessible, making current research necessarily prescriptive rather than descriptive.

Three avenues for research open up. (1) A socio-legal study of contractual practices: collecting a sample of anonymized contracts for Botola Pro players from the FRMF, players' unions, and clubs, in order to describe the clauses actually negotiated (contract terms, bonuses, re-signing clauses, distribution of image rights). (2) An econometric assessment of the Moroccan transfer market: building a transfer database (transfer fees, destinations) to measure the "scissors effect" and the revenue transferred to European clubs. (3) A study in corporate law on the legal status of sports clubs: legislative proposals for a tailored legal status for sports corporations in Morocco (based on the French and Spanish models), including special rules regarding the capitalization of players' rights, governance, and protection against changes in control.

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