



February 2019

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### Tweets of the month



### POINTS PROJECT

@POINTS EU Feb 21

Thanks to @EuSport, @lelosyv and @paolao for the opportunity to introduce the work done by the @EOCEUOffice to the Expert Group on #Integrity in Cyprus. @val\_capelli presented the activities of the @POINTS\_EU and @SIGGS\_EU projects to the audience.

#### **EOC EU Office**

@EOCEUOffice Feb 21

Today we welcomed the delegation of @OlympicUA led by President & Olympic Champion Sergey Bubka. Excellent discussions e.g. on external relations, sport diplomacy, EU funding opportunities and internationalisation of the @EUErasmusPlus, European sport model & visa policy.

#### **EOC EU Office**

@EOCEUOffice Feb 20

It is a great pleasure to celebrate the @EOCEUOffice 10th anniversary! What started in 1993 as Office of German Sport became a truly European endeavour in 2009, when opened by then @iocmedia President Jacques Rogge, @EOCmedia President Patrick Hickey & @DOSB President Thomas Bach

#### **POINTS Project**

@POINTS EU Feb 6

End of the first seminar for SPOCs. Fruitful work and discussions in a very great atmosphere. Thanks to @INTERPOL\_SPORT, @iocmedia and @KevSportsLaw for your support and to all participants for the commitment @nocnsf @FranceOlympique @DOSB @COPPORTUGAL @CEVolleyball @Coninews

### The House of European Sport

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### **EDITORIAL**

Dear readers,

10 years ago, on 20 February 2009, the EOC EU Office was officially inaugurated by the Presidents of the IOC (Dr. Jacques Rogge), the EOC (Patrick Hickey) and the DOSB (Dr. Thomas Bach). The EOC EU Office was the successor of the EU Office of German Sports, which was established in 1993, in parallel to the start of the European Single Market. German Sports realised at this early stage that the European Union would have a major influence on organised sport in Europe. In spite of the fact that the legal situation of sport is different today, the tasks of the office have hardly changed since 1993. On the one hand, it remains important to act as a link between Olympic sport and the European institutions and, on the other hand, to represent with determination the interests of organised sport in all thematic areas ranging from purely grassroots sport topics such as volunteering or social inclusion to elite sport issues such as media rights or competition policy.

Since sport was included in the Lisbon Treaty in 2009, the range of topics has increased once again. The EOC EU Office has certainly played a major role in promoting the inclusion of sport in the Erasmus programme, in better understanding the social and integrative role of sport and in underlining its importance as an economic factor. On the other hand, the European Union has also contributed to keep challenging issues such as governance, equality and the protection of minors on the agenda.

But, where we are now?

Progress has been made, particularly in the area of state aid control. With the inclusion of sport in the block exemption regulation, investments in the area of sports infrastructure are to a wide range exempted from the notification requirement, which has increased legal certainty and reduced bureaucracy. On the other hand, the application of European antitrust law to sport has become a real challenge. It's not the point to generally question whether the economic activities of federations fall under EU law. It's more to better explain to the EU institutions that federations have to interact on international, European and national level in order to safeguard the enforcement of common sporting rules at all levels. Not in the sense of a cartel, but in order to guarantee a level playing field and to prevent the overlapping of competitions by means of a common sports calendar. Preserving the European sports model, safeguarding and developing its solidarity mechanisms, promoting grassroots sport and retaining its integrative character are probably the greatest challenges on EU level to be tackled by the EOC EU Office for the years to come.

Many thanks to everyone who has supported us over the past 10 years and special thanks to all former and current staff members and trainees that has contributed to our successful work over this period!

Enjoy your read,

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Folker Hellmund

Director



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### **EUROPEAN UNION AND SPORT**

### European Commission evaluates State aid rules related to sport

The EU Commission announced its plans to prolong, for two years, seven sets of State aid rules, otherwise expiring in 2020. The Commission has also launched in the beginning of the year an evaluation of those State aid rules, to assess whether to further prolong them or possibly update them in the future. Two of these rules, The General Block Exemption Regulation (GBER) and the de minimis Regulation clearly had positive impacts on State aid related to investment in sport infrastructure.

Since 2013, the EU has implemented the <u>State Aid Modernisation</u>, a major reform of EU State aid rules. One aspect of the reform was the review of the list of General Block Exemptions which allows Member States to quickly implement State aid for a range of activities without notifications and prior approval by the Commission. The reference to "State aid for sport and multifunctional recreational infrastructures" in the GBER as well as the precise criterion fixed in the regulation, created more predictability and legal certainty for support to investments in sport infrastructures.

However, as a number of the State aid rules are due to expire by the end of 2020, the Commission

starts to prepare a future update of the State aid rules by taking two steps:

- The Commission intends to prolong for two years (until end 2022) the validity of State aid rules.
- The Commission will evaluate those rules by doing a "fitness check". It will provide a basis for decisions, to be taken by the Commission in the future, about whether to further prolong or possibly update the rules.

Feedbacks on the necessity to prolong the rules can be provided to the Commission until 7 March. The next crucial step is to ensure that added value and the efficiency of these State aid rules for investments in sport infrastructures are clearly expressed in the global evaluation made by the European Commission in order to maintain this exemption regime in the future.

The EOC EU Office is closely following the file and will keep you informed on the upcoming initiatives.



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## The General Court of the EU annuls the Commission's decision on State aids for Spanish football clubs

A Spanish law of 1990 required all Spanish professional football clubs to convert to sports public limited companies (SPLCs) in order to encourage more responsible management of their activities. However, professional sports clubs fulfilling certain tax results' conditions were allowed to continue to operate as sports clubs. Four Spanish professional football clubs – the Fútbol Club Barcelona (Barcelona), the Club Atlético Osasuna (Pamplona), the Athletic Club (Bilbao) and the Real Madrid Club de Fútbol (Madrid) — chose that option.

In July 2016, the European Commission considered the tax regime of four Spanish professional football clubs as State aid and declared that Spain had unlawfully implemented State aid in the form of a corporation tax privilege in favour of those four professional football clubs. The Commission concluded that public support measures granted by Spain to those football clubs gave them an unfair advantage over other clubs and constitute a breach of EU State aid rules. As a result, the European Commission decided that those Spanish professional football clubs had to pay back the incompatible aid they had received.

All decisions and procedural conduct of the Commission in these cases were allowed to be contested in front of the General Court and ultimately before the European Court of Justice. At the time being they have been brought before the General Court of the EU, which has just recently released its decision. On 26 February 2019, the General Court of the EU annulled the

Commission's decision, in particular in Case T-865/16, Fútbol Club Barcelona v Commission.

The Court first states that the *equivocal nature of* the alleged advantage is a result of the very features of the regime. In addition, the Court questions whether the Commission had enough evidence to state that the tax regime of non-profit organisations was such as to put its recipients in a more advantageous position than if they had been required to operate as an SPLC.

Despite admitting the Commission's stance that a nominal preferential tax rate had been applied, from 1990 to 2015, to the four clubs which benefit from the said regime, the Court ruled that the resulting advantage could not be dissociated from that of the other components of the tax regime of non-profit organisations. For instance, the Real Madrid Club de Fútbol had observed that the tax deduction for the reinvestment of extraordinary profits was higher for SPLCs than for non-profit entities and such deduction was quite significant as a result of the transfer of players, as profits could be reinvested in the purchase of new players and that the tax regime applied to nonprofit organisations had therefore been much more detrimental than that applicable to SPLCs.

#### **FURTHER INFORMATION**

European Commission Press Release on State aid regarding Spanish football clubs
General Court of the EU ruling on the Commission's decision on State aid



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# EOC EU Office presents the POINTS Project during the third meeting of the Expert Group on "Integrity in Sport"

On 21 and 22 February 2019, the European Commission organised the third meeting of its Expert Group on "Integrity in Sport", in Larnaca, Cyprus.

In addition to experts from Member States, several sport organisations including the EOC EU Office, European Athletics, UEFA and FIFA participated to this event in Cyprus alongside with other relevant stakeholders such as ENGSO, INTERPOL, EUROPOL, UNODC and Council of Europe.

Four main topics were on the agenda of the two days meeting 1. Manipulation of Sport Competitions 2. Good Governance, 3. Fight against corruption and 4. Safeguarding children in Sport.

On the first two topics, Manipulation of Competitions and Good Governance, the aim of the meeting was essentially to provide an update on participants' activities and to share good practices.

Following a general discussion on Member States recent initiatives, the Council of Europe gave the state of play regarding the Council of Europe Convention on the Manipulation of Sports Competitions. After the signature of Australia, 32 countries have signed. However, the Convention still needs two more ratifications (3 so far) before entering into force.

Activities of the "International Partnership Against Corruption in Sport" (IPACS) were also discussed with a focus on the work of the task force 3 "how to promote the convergence of the existing good governance frameworks".

On this first day four good practices have been presented, including two EOC EU Office projects on Good Governance and co-financed by the EU: the SIGGS and the POINTS projects. Valentin Capelli, project manager, presented the POINTS

project, including the objectives, the consortium and a timeline of meetings. In addition, he also introduced the Guidelines for Single Points of Contact, produced by the consortium, and the different activities conducted (see dedicated article) with a special focus on the update of the SIGGS self-evaluation tool.

Discussion during the second day focused on two EU studies:

- Mapping of Corruption in Sport in the EU
- Study on Safeguarding Children in Sport

While the study on Safeguarding Children in Sport is only at its starting point – Ecorys, the responsible organisation, is now collecting data to support their review- the final report on the mapping of Corruption study in the EU was presented to the group.

The study lists the different types of corruption which can occur in sport, including match-fixing, doping, bribery, money laundering, illegal betting, tax evasion and commercial tricks before focusing on some concrete cases from the eleven countries.

Five main recommendations conclude the study:

- Supporting mechanisms for cooperation in addressing corruption
- Enhancing knowledge on sport and corruption across the EU
- 3. Support the development of good practice sharing and dissemination
- Support the development of common understanding of appropriate and proportionate penalties for corruption activities



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Support the development of common definitions and measurement frameworks for 'good governance' and its component parts

Several concerns regarding the study were raised by Member States and observers. Indeed, some Member States deplored the focus put on Manipulation of Competitions when the request was to emphasise other aspect of corruption for the preparation of the future Finnish presidency of the EU. Another question was on the accuracy of the data as some examples appear outdated and/or not taking into account the recent developments occurred within several Member States. Finally participants regret the lack of

precision in the recommendations which remain very general.

Discussions will take place between the different actors to see the follow-up to give to the study.

The next meeting of the Expert Group will take place in Helsinki, during the Finnish presidency of the EU which will start in July 2019.

FURTHER INFORMATION

Study mapping Corruption in Sport in the EU

**POINTS** Website



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## Commission organises Sport breakfast on internet piracy as a threat to sport

On 11 February, then Sport Unit of the European Commission organised another Sport Unit Breakfast. This initiative brings together representatives of the Unit, other parts of the European Commission as well as speakers from the world of sport in order to discuss current topics. In this meeting, the threat of internet piracy of sport broadcasts were discussed by Arnaud Decker and Cameron Andrews of belN, as well as Mark Lichtenhein as the Chairman of the Sports Rights Owners Coalition (SROC).

Yves Le Lostecque, Head of the Sport Unit, welcomed the participants and introduced the speakers, before Mr Decker and Mr Andrews of belN introduced the different types of piracy sport contents faces and the effects it has on the market.

They presented that next to traditional forms of piracy like satellite channel overspills and commercial premises fraud, new forms like direct streaming from set top boxes, open streaming websites and illicit streaming devices as well as social media streaming have led to an existential threat for sport broadcasting. The technological developments lead to piracy growing wherever there is a reasonable internet access. Mr Decker underlined that this loss also poses a threat to the refinancing of sport, including important solidarity payments for grassroots sport.

They presented which steps are needed to tackle streaming piracy:

- Identify the pirates, and monitor the illegal streams during live games;
- Issue take down notices during live games to the Internet Service Providers (ISPs),

Content Delivery Networks (CDNs), & social media platforms used by the pirates;

- Use technical means such as forensic watermarking to detect legitimate subscriptions being used as the streaming source;
- Have ISPs prevent their customers from accessing pirate websites and streaming servers during games (blocking orders)
- Investigate, and take legal enforcement action against the pirates to deter, and obtain compensation for the losses from piracy

They also referred to the big number of obstacles for the take down of pirate websites, especially through a disharmonised EU market, where rules enforcement varies widely amongst countries and cases have to be brought to multiple jurisdictions. They therefore called on better dialogue between rights owners, broadcasters and legislators, and called upon the EU to act as facilitator for such a dialogue.

Mark Lichtenhein insisted that sport was especially hit by piracy, as the value of sport broadcasting lies mainly in the live experience, contrary to film or music. He pointed out that SROC had been fighting for a recognition of sport organiser rights to better defend against piracy and referred to its activities regarding the EU copyright directive and dialogues with social media platforms. He also insisted that piracy was not based on the pricing and availability of sport content, but is stealing and reselling of content, pointing out that even free to air content was pirated online.



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## Council and Parliament find agreement on Copyright Directive

On 13 February, the European Parliament, the European Commission and the Council found a trilogue agreement regarding the EU Copyright directive. Unfortunately, this agreement does not take up important points regarding the protection of sport event organisers. It does not include the neighbouring right for sports rights owners as proposed by the EP and introduces exemptions regarding the take down of infringing content for content sharing platforms, both representing negative aspects for sports.

The neighbouring right for sports rights owners (Article 12a), which had been included in the Parliament's position during the plenary vote (gaining the support of 392 MEPs) and would have helped to protect the rights values and fight internet piracy, was rejected by both the European Commission and the Member States.

Moreover, the newly included Article 13, which deals with the use of protected content by content sharing providers, was rather developed in the interest of platforms than of rights owners. The new paragraph 4 exempts sharing service providers from their responsibility in cases where they have "made best efforts to obtain an authorisation" (4a), "best efforts to ensure unavailability of specific works" (4b) and "acted expeditiously, upon receiving a sufficiently substantiated notice by the right holders, to remove from their websites or to disable access to the notified works and subject matters, and made best efforts to prevent their future uploads" (4c). Furthermore, paragraph 4aa exempts small providers ("whose services have been available to the public in the Union for less than three years and which have an annual turnover below EUR 10

million") from any liability beyond "best efforts to obtain an authorisation". This could represent a high hurdle for rights owners to clear and could delay potential takedown of infringing content.

The directive now needs approval from both the EP's plenary and the Council and would then likely come into force in May 2019.

In course of discussions in the Council's preparatory body of COREPER (bringing together the Member States' permanent representatives), which adopted the text on 20 February, the European Commission however published a statement saving that "the Commission acknowledges the importance of sports events organisations and their role in financing of sport activities in the Union. In view of the societal and economic dimension of sport in the Union, the Commission will assess the challenges of sport event organisers in the digital environment, in particular issues related to the illegal online transmissions of sport broadcasts". The concrete implications of this are for now unclear, but could hopefully mean that the Commission would tackle illegal streaming more strongly.

#### FURTHER INFORMATION

<u>Council of the EU – Press release (13/02/2019):</u> "EU copyright rules adjusted to the digital age"



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### **FUNDING PROGRAMMES AND STUDIES**

## INTERPOL holds 1<sup>st</sup> educational seminar of the POINTS project in Lyon



On 4 to 6 February, the POINTS project successfully launched its second phase with the first educational seminar for the Single Points of Contact for Integrity (SPOCs) nominated by partner organisations. For this first meeting, INTERPOL welcomed 18 participants from 11 organisations at its headquarters in Lyon (France) to work on the topic of competition manipulation in sport.

The seminar aimed at providing participants with a solid understanding on the subject of competition manipulation in order to give them the necessary tools to deal with challenging situations in their roles as SPOCs. Led by the IOC Unit on the Prevention of the Manipulation of Competitions and INTERPOL Integrity in Sport unit, the seminar was organised into 5 different sessions covering a wide range of topics, including rules and regulations, sport betting environment, and awareness raising and education, among others.

The first day of the seminar was an introductory session given by the EOC EU Office team, namely Director Folker Hellmund and Project Manager Valentin Capelli, who introduced the POINTS project and the concept of SPOC to all participants.

The second day provided a global overview of Competition Manipulation and Sports Betting. Different aspects were presented, respectively by Jonne Silonsaari, IOC, and Dieter Braekeveld, INTERPOL, who discussed the key elements of manipulation of competitions and described the activities conducted by the two organisations in this field. Then, Kevin Carpenter, Genius Sport, gave some insights on how betting reports can support the actions of sport organisations and SPOCs in this area. Another key aspect discussed was the relation with external stakeholders, with a focus on the functioning of national platforms.

The final session of the educational seminar covered two additional aspects: the existing tools to work on prevention and awareness raising activities regarding Competition Manipulation and an introduction to Fact-Finding inquiries. Followed by a presentation of the IOC on their different campaigns and tools available for NOCs, participants reflected on potential ways to engage on prevention activities with their stakeholders. The session ended with a simulation of a Competition Manipulation case, which aimed to test and discuss participants' reactions.

The EOC EU Office would like to thank all speakers as well as all participants for contributing to a very positive working atmosphere throughout the three-day seminar and very fruitful discussions.

On 1<sup>st</sup> April, the group will meet in Frankfurt for a seminar focusing on Good Governance.



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## 6<sup>th</sup> Erasmus+ Sport Info Day attracts a record number of participants

On 5 February, the European Commission, together with its Executive Agency EACEA, welcomed a record number of 650 participants, including representatives of several European federations and National Olympic Committees, to its biggest annual event dedicated to the Erasmus+ Sport Programme. As all its previous editions, the sixth Info Day served two main purposes: to inform applicants and potential applicants about the various facets of the Erasmus+ Sport Programme, and to create space for networking and partner search. Both of these purposes have been met, demonstrated by the active discussions and energetic exchanges between the speakers and the participants.



While the representatives of the European Commission and future Croatian Council Presidency outlined the sport policy context of the upcoming call for proposals, experts from the Executive Agency focused on practical matters such as the application and selection process for the current call for proposals (deadline 4 April 2019). The afternoon programme was then dedicated to a more in-depth discussion of the evaluation process, financial and funding rules, and small collaborative partnerships.

This year's Info Day also served as a "platform" to inform the EU sports world about the preparation of the new Erasmus Programme post-2020. In his introduction, Tibor Navracsics, European

Commissioner for Sport, noted, "We have proposed to double the budget of Erasmus - 550 million for 7 year - so that we can boost support to grassroots sport, launch new mobility actions, and strengthen the international dimension." The Head of the Sport Unit, Yves Le Lostecque, then added that the current shape and form of the actions supported by the Programme should remain more or less the same, with a big novelty in the form of "support to mobility", which should decentralised managed by the national Erasmus+ Agencies.

Yet, Erasmus+ Sport was not the only EU funding programme presented at the Info Day. The European Commission took this opportunity to inform participants about a number of other EU funding opportunities relevant for sport organisations: European Solidarity Corps, Youth chapter of the Erasmus + Programme, and European Structural and Investment funds and the SHARE initiative. Furthermore, as in the past couple of years, the Sport Unit of the European Commission will launch three calls for proposals in the framework of the so-called preparatory actions and pilot projects focused on: (1) Monitoring and coaching through sports of youngsters at risk of radicalization, (2) Sport as a tool for integration and social inclusion of refugees, and (3) Exchange and mobility in sport. Organisations interested in applying for grants in the above areas should expect the calls to be published in April/May of this year.

#### FURTHER INFORMATION

Webstreamed presentations are available <u>here</u>.



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### INTERNAL AND VISITS

### NOC of Ukraine led by President Bubka visits Brussels

On 21 February 2019, day after its 10<sup>th</sup> anniversary, the EOC EU Office had the pleasure to welcome, for the first time in its history, a high delegation of the NOC of Ukraine. Led by the NOC President, Mr. Sergey Bubka, and accompanied by the Deputy Head of Mission of Ukraine, the representatives of the Ukrainian Olympic movement were introduced to the activities of the EOC EU Office and discussed a number of policy areas pertaining to the EU-Ukraine relationship in the area of sport and beyond. Issues such the access of Ukrainian sport organisations to EU funding, including the support to the implementation of the European Week of Sport in the Eastern Partnership countries, sport diplomacy, visa-free travel, European sport model, implementation of the EU-Ukraine Association Agreement in the area of sport, were all on the agenda.

The visit to the EOC EU Office served also as a preparatory session for a subsequent meeting with the EU Commissioner for Sport, Tibor Navracsics. The high-level meeting proved to be an excellent occasion to reinforce the EU-Ukraine relationship in the area of sport, and to discuss concrete projects, initiatives and areas for

possible future cooperation. First such initiative could be an participation of President Bubka in the forthcoming EU Sport Forum in Bucharest to which the Commissioner invited him.



he meeting at the EOC EU Office and the preparatory assistance delivered by the Office to the NOC of Ukraine fall into the framework of enhanced activities and services provided to European NOCs from non-EU countries. Recent examples of these activities are the last year's Practical Seminar on EU funding opportunities and cooperation with the EU hosted by the NOC of Serbia, and the current public affairs effort to have sport reflected in the future generation (2021-2027) of the EU external relations funding programmes.



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### PARTNERS' CORNER

## Partners meet at home of European Volleyball to kick start EU funded development project

On 14 February 2019, the home of European Volleyball, in Luxembourg, hosted the kick-off meeting of the Erasmus+ funded project "Play Volleyball, grow with it". The CEV has joined forces with a number of partners to promote the game at the grassroots level.

The meeting started with a 'getting to know' session involving representatives of the partners, which consist of four National Federations (Estonia, Finland, Former Y.R. of Macedonia and Slovakia), the German Sport University of Cologne, the Faculty of Sport Sciences of the Hacettepe University (Turkey) and the European Observatoire of Sport and Employment (EOSE).



The agenda included discussions on how to elaborate on the ultimate mission of the project as well as a review of the current situation within the partner National Federations with regard to the promotion and development of Volleyball on grassroots level. The partners agreed on a task distribution as well as on a schedule of the meetings due to follow in the coming months.

The expectations are high as expressed by some of the people involved in the workshop. "We will chose local Volleyball clubs ready to cooperate and commit to the project by working with local schools in order to make the project a success. It is important to engage with the kids at the entry level, as we will be working with children aged 8-12 - this is something we have not yet done in Estonia on a national scale," said Laura Rogenbaum, Project Manager at the Estonian Volleyball Federation. "For us it is very valuable to establish а bond with other countries implementing the project and share practices. Officially, the project will start next year, but already now we start preparing - choosing the clubs to involve and speaking with them. It is also very important to work with teachers beforehand giving tips and making sure that they can pass along the message to the children that Volleyball is cool and fun. Currently Volleyball can dwell on being the ball sport with the biggest success on the international stage for Estonia, so this is the right time to use this asset to bring the sport to schools as basketball and football are dominating their curricula."

Yeşim Bulca from Hacettepe University and Jimmy Czimek from the German Sport University Cologne agree that they have not worked on a project of such a scale before, although both universities have delivered numerous sport development projects in their respective countries. These two leading academic institutions will prepare the learning materials for all of the teachers and coaches involved in the project. "

MORE INFORMATION

Play Volleyball, grow with it project



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### **NEXT MONTH**

5-6 March Parcours ambition internationale (CNOSF) at EOC EU Office, Brussels

6 March Sport & regional development: The future of sport in European cities at European

Parliament, Brussels

10-12 March IOC/EOC EU Office Athletes Seminar, Brussels