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**DIRECTORATE FOR FINANCIAL AND ENTERPRISE AFFAIRS
COMPETITION COMMITTEE**

Cancels & replaces the same document of 12 April 2023

Latin American and Caribbean Competition Forum

Session III: Competition and Sports – Call for contributions

28-29 September 2023

This document is circulated in preparation of the discussion under Session III of the Latin American and Caribbean Competition Forum (LACCF) that will take place during 28-29 September 2023 in Quito, Ecuador.

Delegates are invited to submit their written contributions to the Secretariat by **Friday 30 June 2023**.

In case you need additional information related to this session, please contact:

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Session III: Competition and Sports

– Call for Contributions –

1. This year's Latin American and Caribbean Competition Forum (LACCF) will feature a session on "Competition and Sports". This document provides some background information on the topic and invites delegates to make a written submission to the discussions.
2. Sports are embedded in national cultures and are a relevant tool in the promotion of social development, such as crime reduction, health improvement and social cohesion. Football is the most popular sport in continental Latin America, while baseball is the prime sport in the Caribbean. Other sports are also popular in the region, such as athletics, basketball, boxing, car racing, cricket, horse racing, tennis, and volleyball (Sotomayor, 2020^[1]).
3. In addition to the social and cultural dimension of sports, its economic importance has increasingly become evident in the last decades. Sports industry revenue worldwide exceeded USD 486 billion in 2022 and it expected to reach around USD 512 billion in 2023 and USD 623 billion in 2027 (The Business Research Company, 2023^[2]). This is more than Argentina's Gross Domestic Product (GDP) in 2021, the third largest country GDP of the region after Brazil and Mexico (World Bank, 2022^[3]).
4. Professional sports concentrate most of competition policy issues given its relevance for the economy and progressive commercialisation (as opposed to amateur sports). Although professional sports seem to be like any other market, this sector presents specificities, such as the special link with social and cultural life, specific economics including the need for some co-operation between clubs, in addition to a distinctive governance model. Indeed, sporting activities depend on a minimum number of competitors for a sustainable existence, as a participant alone is unable of organising a sport competition.
5. The OECD had the opportunity to explore the competition issues in the sports industry in two roundtables held in 2010 (OECD, 2010^[4]) and 1996 (OECD, 1996^[5]). The discussions highlighted that, despite an overall consensus on the application of competition law to the professional sports market, the specific features of the industry may raise particular challenges which invite competition authorities to take a careful look for its best understanding.
6. In this context, the session will focus mainly on key competition issues related to the sports industry, more specifically professional sports. These may include, depending on the contributions received from delegates: (i) competition in the organisation of sports leagues (such as the existence of a monopoly in that market, as well as potential abusive behaviour by their organisers); (ii) the sale of sports broadcasting rights; and (iii) the application of competition law in sports labour markets, particularly as regards restrictions imposed on athletes by sports associations or agreed among to clubs.
7. As in past years, the quality and utility of this session will be greatly strengthened by written contributions, which should be sent to the OECD Secretariat by **Friday 30 June 2023**. In order to assist you with the preparation of your contribution, the Annex includes a number of questions on which you may wish to focus and a suggested bibliography. The list in the Annex is not exhaustive, and you are encouraged to raise and address other issues in your submissions and during the discussion. We also strongly encourage you to discuss and comment on your relevant enforcement experience in this area.

8. The session will be supported by a Secretariat background paper, which will compile the main issues related to the topic. The LACCF webpage will be the primary vehicle for conveying documentation and related links on this subject. It will become available on its main page at www.oecd.org/competition/latinamerica (short url: oe.cd/lacsf). Unless explicitly requested not to do so, the Secretariat will reproduce all written contributions on the LACCF website.

9. All communications regarding the documentation for this session should be sent to Ms. Angélique Servin (Angelique.Servin@oecd.org). Please address any substantive queries relating to this discussion to Mr. Marcelo Guimarães (Marcelo.Guimaraes@oecd.org).

Annex A.

Suggested questions for written contributions to Session III on Competition and Sports

This Annex provides a list of questions for consideration in preparing your written contribution. A contribution does not need to cover every listed question, and you may wish to address issues not listed here. You are encouraged to refer to relevant cases or advocacy initiatives where appropriate to illustrate your answers. Please prepare your contribution as an integrated essay rather than a list of answers to questions.

A. Specificities of the sports industry

- How are sports organised? Is there a governance model which applies to all sports?
- What is(are) the role(s) of sports organisations? Do they have jurisdictional powers?
- Do sports organisations and clubs have an economic purpose (as opposed to non-economic activities)?
- How are leagues and tournaments organised? Are they open as in Europe (i.e., promotion and relegation systems, where clubs are transferred between divisions according to their performance) or closed as in the United States (i.e., with a closed list of teams in the league)?
- Does competition law fully apply to the sports industry? Are there any exemptions? Are mergers involving sports clubs subject to merger control review?
- If competition law fully applies in the sports industry, can restrictions on competition be justified (e.g., to ensure the integrity of competition, the competitive balance or other efficiency gains)?
- What is the legal nature of sports associations for competition law purposes? Are they considered a joint venture of clubs or a single entity?

B. Organisation of sports leagues

- Do clubs and/or sports organisations organise leagues?
- Is there a monopoly in the organisation of leagues or are there competing leagues?
- If there is more than one league within a sport, can clubs participate in both?
- Do you have any enforcement experience related to the organisation of sports or leagues?

C. Sports broadcasting

- Are broadcasting rights to sports events sold individually by each club or collectively? Are there competitive tenders to award those rights?
- Are broadcasting rights to sports events sold through an exclusivity agreement? If yes, are there any conditions (e.g., competitive tendering and maximum term contracts)?

D. Sports labour markets

- Does competition law apply to the sports labour market? If yes, how such practices are assessed?
- Do you have any enforcement experience related to no-poach or wage-fixing agreements?
- Do you have any enforcement experience related to transfer of players rules?
- Do you have any other enforcement experience in the sports labour market?

Suggested bibliography

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- Verdonck, C., Baeyens, H., Methens, N. and Silvestre, Q. (2020), Sports and competition law: An overview of EU and national case law, *e-Competitions Sports & Competition Law*, Art. N° 92775.