

**Independent Governance Committee**

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**FIFA GOVERNANCE REFORM PROJECT**  
**FIRST REPORT BY THE INDEPENDENT GOVERNANCE COMMITTEE TO**  
**THE EXECUTIVE COMMITTEE OF FIFA**

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## EXECUTIVE SUMMARY

### **The Reform Process**

In 2011, FIFA decided to subject its Governance Structure to an extensive reform process. It has established four Task Forces, chaired and staffed by key exponents from within FIFA. In order to supervise the process and to make recommendations to the Executive Committee and to Congress, FIFA has asked Prof. Pieth of the University of Basel, Switzerland, to put together an Independent Governance Committee (IGC). The IGC consists of 13 Members who are either experts from the legal, the compliance and the investigation professions [6], or representatives of various stakeholder groups of the football world (Member Associations, Leagues, Clubs, Players, specialized Media and Sponsors [7]). In a first cycle, the Task Forces have drafted a revision of the Statutes for Congress 2012 as well as several policy documents derived from the Statutes, which are due to be adopted during 2012 in order to allow the reform to be fully implemented.

The IGC has assessed the proposals contained in those draft documents as well as recommendations contained in reports by Transparency International and Prof. Mark Pieth. It has also reviewed how FIFA has been dealing with various types of alleged past misconduct. The IGC has constituted itself, has given itself rules of procedure and has defined its own mandate.

### **Governance Reform**

Generally, the IGC is satisfied that the Task Forces have conducted a thorough analysis of the Governance Structure. The IGC recommends, however, to further strengthen the Governance Structure of FIFA by insisting on transparency, accountability, professionalism and independence in key areas: First and foremost it is fundamental that nominees for senior FIFA positions are vetted by an independent Nominations Committee, to be put in place as soon as possible, in order to ensure that candidates for the next elections fulfill the necessary substantive criteria and ethical requirements and that the selection process is fair and transparent.

Detailed recommendations are made on how to secure the independence and competence of the Chair and the Deputy Chair of the Audit Committee. It is recommended that the remit of the Audit Committee be expanded to include the additional roles of a Compliance Committee as well as a Compensation Committee (new name: Audit & Compliance Committee).

In the opinion of the IGC it is furthermore fundamental that the Chairs of the Nomination Committee and the Audit & Compliance Committee have a seat in the Executive Committee.

The IGC is making further suggestions relating to the upgrade of the Compliance Program, including the regulation of conflicts of interest, a task largely to be accomplished during the year of 2012 based on regulations and guidelines.

Financial controls are a further fundamental area in need of detailed attention. Whereas the central audit function is already well developed, FIFA must be placed in the position to intensify its financial controls over Member Associations. Furthermore, FIFA is in urgent need of streamlining its procedures on hosting of competitions, on marketing decisions and on development programs. A

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new Development Committee should see to it that development funding is awarded on a transparent and fair basis and follows a predefined strategy with all procedures fully documented.

#### **FIFA's Management of Alleged Misconduct**

The IGC has received documents and has conducted a hearing on the ways FIFA has been dealing with past misconduct. Clearly, the existing procedures are – in the opinion of the IGC and the relevant Task Force – insufficient to meet the challenges of a major global sport governing body. This has led to unsatisfactory reactions to persistent allegations. In particular, the IGC has identified a lack of proactive and systematic investigation of allegations. In some instances, allegations were insufficiently investigated and where sanctions were imposed, they are at times insufficient and clearly unconvincing.

The IGC recommends that the most important proposals made by the Task Force Ethics Committee be implemented as soon as possible: especially the separation of an investigatory and an adjudicatory chamber as well as the right of the investigatory chamber to set procedures in motion *proprio motu*, i.e. the independent ability of the Ethics Committee to initiate investigations. The IGC strongly recommends that the Chairs and the Deputy Chairs of the judicial bodies be staffed as soon as possible by truly independent persons of high standing and expertise. They will apply the substantive rules in force. The procedures need to be adapted as described immediately after Congress 2012 in order to be operational to deal with all allegations within the existing jurisdiction of the judicial bodies. Whereas the substantive rules will not be retroactive, procedures and organizational measures will be applicable to past behavior. The IGC will review the Code of Ethics as drafted by the Task Force. The judicial bodies must be given adequate resources both internally and, if necessary, through contracting of outside experts in order to be able to carry out their responsibilities.

## **1 INTRODUCTION - FIFA'S GOVERNANCE REFORM PROJECT AND THE ROLE OF THE INDEPENDENT GOVERNANCE COMMITTEE**

FIFA has changed considerably over the years. It has evolved from a small organization, primarily regulating the game of football, to an important economic enterprise; its tournaments attract the attention of billions of fans and spectators. Countries around the world are interested in hosting the World Cup. FIFA's challenge is to adapt its governance structure to its changing social and economic significance. The corresponding internal discussion, particularly addressed at the 2002 Congress in Seoul, started some time ago. Since then, on a managerial level, significant steps have been taken to upgrade operational structures and processes toward the standards of large corporations or international organizations. However, FIFA continued to be publicly criticized for its lack of good governance and transparency, reinforced by a sequence of allegations and incidents of misconduct by football officials. As a consequence of recent allegations around the hosting decisions for the

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World Cup 2018 and 2022 and the campaign of a presidential candidate, FIFA submitted proposals to the 2011 Congress in relation to governance and transparency. The Congress approved those proposals, thereby initiating further steps towards a reform of its governance. In August 2011, Transparency International published a high-level report with recommendations on how to build integrity and transparency at FIFA<sup>1</sup>. Also in August, FIFA mandated Prof. Mark Pieth to analyze the existing governance structure, to express an opinion on its standard and to make recommendations for improvements. The resulting report was delivered to FIFA on September 19, 2011 and was subsequently made public<sup>2</sup>. In October and December 2011 respectively, the FIFA Executive Committee formally ratified a governance reform project. At the heart of this project was the establishment of four internal Task Forces, supervised by an external, independent body (Annex 1: Structure of Reform Process & Composition of Task Forces). The Task Force Revision of Statutes, chaired by Executive Committee Member Dr. Theo Zwanziger, was appointed to review the FIFA Statutes, with a view to integrate recommendations on the improvement of governance. Chaired by Ethics Committee Chairman Claudio Sulser, the Task Force Ethics Committee was appointed to review the FIFA Code of Ethics and strengthen the powers and independence of the judicial bodies. The Task Force Transparency & Compliance, chaired by New Zealand FA President Frank van Hattum, was mandated to look into the general procedure for conflicts of interest, improving internal control mechanisms, increasing the transparency of FIFA development programs and the commercialization of FIFA's rights, as well as exploring confidential reporting mechanisms and the status of the compliance function. The Task Force Football 2014, chaired by Franz Beckenbauer, looked at all aspects of modern-day football with a view to improve the game at all levels.

In addition, FIFA came to the conclusion that its governance reform project needed to be supervised by an independent group of governance experts and stakeholder representatives – the Independent Governance Committee (IGC). In November 2011, FIFA asked Prof. Mark Pieth to establish a group of independent governance experts and stakeholder representatives. After a thorough and intensive search and selection process, including due diligence on candidates, Prof. Pieth presented a group of 13 persons to form of the IGC ; the Executive Committee of FIFA acknowledged in its December meeting the composition and independent role of the IGC (Annex 2: Composition of IGC).

The IGC held its first meeting on January 18 – 19, 2012. The first task was to define purpose and powers of the Committee as well as to establish procedural rules and a financing mechanism guaranteeing the operation of the committee while maintaining its independence. The IGC decided that the work of the Task Force Football 2014 should not form part of its remit. The outcome was a Charter, stating – inter alia - the purpose and powers of the IGC. Following its first meeting, the IGC informed FIFA of its Charter and FIFA acknowledged the document on January 27, 2012. The IGC Charter was made public thereafter<sup>3</sup>.

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<sup>1</sup> <http://transparency.org/content/download/62590/1002688>

<sup>2</sup> [http://www.baselgovernance.org/fileadmin/FIFA/governing\\_fifa\\_mark\\_pieth.pdf](http://www.baselgovernance.org/fileadmin/FIFA/governing_fifa_mark_pieth.pdf)

<sup>3</sup> <http://www.baselgovernance.org/gov/governance-in-sports/fifa/independent-governance-committee-charter/>

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The IGC held a second meeting on February 21 – 23, 2012. This meeting was dedicated to understanding how FIFA handled various types of alleged misconduct and to reviewing the reform proposals by the Task Forces.

## 2 FIFA'S MANAGEMENT OF ALLEGED MISCONDUCT

This section summarizes the review by the IGC of FIFA's management of various types of alleged misconduct and related findings. Specific recommendations regarding the strengthening of the corresponding policies, structures and processes are included.

### 2.1 METHODOLOGY

The IGC invited FIFA to explain how allegations relating to the most prevalent types of allegations were handled in the past. FIFA responded to this request by producing a document, summarizing the handling of the most recent incidents around a) the allegations by Lord Triesman, b) the so-called "Qatar whistleblower", c) allegations regarding the bidding procedure for the FIFA World Cups in 2018 and 2022, d) misconduct at the Caribbean Football Union (CFU) meeting in Trinidad & Tobago and e) the ISL case. In each case, the explanations by FIFA were supported by the disclosure of extensive written, confidential documentation, including - inter alia - relevant internal and external correspondence, reports (e.g. the Football Association reports on allegations of misconduct in relation to the Football Association's 2018 World Cup Bid) and decisions by the FIFA Ethics Committee. The IGC also received a copy of the full report by the Freeh Group International Europe, AG, relating to the CFU meeting on May 10 – 11, 2011 in Trinidad & Tobago. Although requested, FIFA did not disclose to the IGC a copy of the dismissal of criminal proceedings by the prosecution of the Canton of Zug in the ISL case. As two concerned parties have appealed against the publication of the document, FIFA's assessment led to the conclusion that it is legally not in a position to disclose the document to the IGC for the time being. The Council of Europe encountered similar difficulties when they asked the prosecution office and the courts of Zug to disclose the ISL documents, to which they made reference in their report of March 2012<sup>4</sup>. The prosecution office and the courts of Zug did not disclose the document, partly or entirely, to the Council of Europe and no information was shared with the Council of Europe by the courts of Zug, which was not already known to the IGC. The IGC reaffirms its insistence on the speedy publication of the ISL document.

In addition to reviewing the listed documents, the IGC held a hearing on February 21, 2011 with Claudio Sulser (Chairman of the FIFA Ethics Committee), Robert Torres (Member of the Ethics Committee), Marco Villiger (Director Legal Affairs) and Chris Eaton (Head of Security at the time of the hearing).

The purpose of the document review and the interviews was for the members of the IGC to gain an understanding on how and by whom allegations were handled at all stages, i.e. from the receipt of a

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<sup>4</sup> [www.assembly.coe.int/Communication/070312\\_RochebloineReportE.pdf](http://www.assembly.coe.int/Communication/070312_RochebloineReportE.pdf)

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complaint to the decision to initiate an investigation to the execution of the investigation and finally to the decision-making process and sanctioning practice of the Ethics Committee.

## 2.2 FINDINGS

Overall, the answers by FIFA regarding the handling of alleged misconduct were not fully satisfactory to the IGC. Based on the discussion of specific examples, FIFA has – in the opinion of the IGC - shown a lack of pro-active and systematic follow-up on allegations. In some instances, allegations were insufficiently investigated. A particular problem in the IGC's view is the approach to issues, expecting a complaint to be produced through the proper channel, looking to the complainant to produce evidence (which may be difficult without the ability of the complainant to question particular individuals) and not itself following up these issues. When cases were decided by the Ethics Committee or the Appeal Committee, the imposed sanctions were generally low and sometimes not proportionate or dissuasive. The IGC is also of the opinion that the judicial bodies of FIFA should have access to the necessary resources, especially for conducting investigations. Overall, the IGC came to the conclusion that the existing structure and processes of the Ethics Committee are not sufficient to properly manage allegations of misconduct.

## 2.3 RECOMMENDATIONS

The goal is the establishment of independent and professionally competent judicial bodies lead by internationally renowned experts in their field. To achieve this goal, the investigative role of the Ethics Committee should be strengthened, including the allocation of adequate resources to initiate and conduct professional investigations independently. The new Code of Ethics must make clear that the Ethics Committee is empowered to investigate and adjudicate past issues or behavior. The IGC does not recommend introducing an extraordinary judicial body or procedure. With the new Code of Ethics, the Task Force Ethics Committee has proposed a solid foundation for viable and appropriate judicial bodies. At the heart of the revision is the establishment of a 2-chamber system in the Ethics Committee: an investigatory and an adjudicatory chamber. The second pillar of the revised Code of Ethics is the competence of the investigatory chamber of the Ethics Committee to initiate investigations *proprio motu*, i.e. the ability to initiate investigations independently. In addition to being regulated in detail in the Code of Ethics, these important structural and procedural principles should be laid down in the Statutes of FIFA.

In order to improve the ability of FIFA to handle allegations at all stages of the procedure, the IGC makes the following specific recommendations, which should be implemented as soon as possible:

- The new Code of Ethics should be put into force by the Executive Committee following Congress 2012, after detailed review by the IGC. Whereas the substantive rules will not be retroactive, procedures and organizational measures will be applicable to past behavior;
- The Chairs and Deputy Chairs of the Investigatory Chamber and the Adjudicatory Chamber should be independent in accordance with the proposed definition to be included in the

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FIFA Statutes; in addition they should meet the necessary professional requirements applicable to all members of the judicial bodies as set out in the proposed Code of Ethics;

- The initial candidates for those positions should be selected and proposed by the IGC;
- The candidates should be elected by the competent FIFA body and start their functions as soon as possible;
- The Ethics Committee should be given the competences and resources to discharge its purpose. Specifically the investigatory chamber should draw up a budget at its own discretion in order to conduct professional investigations with internal or external resources;
- The Secretariat of the Ethics Committee should directly report to the Chairs of the investigatory chamber and the adjudicatory chamber respectively and should be independent from management;
- In order to systematically manage complaints and allegations of all kinds, a unified confidential reporting mechanism should be established, which is easily accessible to the public.

## **3 FIFA'S GOVERNANCE REFORM PROPOSALS**

### **3.1 METHODOLOGY**

The FIFA Task Forces started their work based on the recommendations contained in the reports by Prof. Pieth and Transparency International, as well as proposals by FIFA's statutory auditor, KPMG. The Task Forces (TF Statutes, TF Transparency & Compliance, TF Ethics Committee) held 9 meetings in the period from November 2011 to February 2012. The Basel Institute on Governance undertook the task of an observer on behalf of the IGC. The IGC received all preparatory material for the meetings as well as the minutes. Those measures guaranteed a transparent work process and information flow to the IGC. The IGC met with the President of FIFA on February 22, 2012 to discuss the governance reform project.

The work product by the Task Forces is a set of proposals for the revision of various existing constitutional and policy documents (e.g. Statutes, Code of Ethics, Organization Regulations) as well as proposed new documents (e.g. FIFA Code of Conduct, Regulations Governing Candidatures for the Office of FIFA President). The IGC has summarized and prioritized the proposals contained in the various documents and grouped them along 4 major governance topics: a) Democratic Reforms, b) Compliance Program, c) Financial Controls and d) Enforcement. IGC's assessments of the documents lead to additional or amended recommendations. The key proposals by the IGC have been discussed with the Chairmen of the Task Forces and agreement has been reached to a large



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extent on the final recommendations. Appended is a redlined version of the revised Statutes as proposed by the Task Forces, including the additions/amendments by the IGC (Annex 3: Draft FIFA Statutes).

## 3.2 FINDINGS

The Task Forces have thoroughly worked through the initial recommendations contained in the reports by Prof. Pieth, Transparency International, and proposals by KPMG. They have sometimes expanded the scope beyond pure organizational governance topics to include specific FIFA-internal issues, such as the composition of the IFAB and the allocation of Executive Committee seats to the Confederations. The IGC is of the opinion that those additional proposals by the Task Forces do not compromise the organizational governance reform. However, the IGC does not comment on proposals of a rather political or football-technical nature.

The major additions or amendments by the IGC to the proposals of the Task Forces aim at strengthening independence; i.e. the establishment of judicial bodies (see Section 1) and supervisory bodies (see Subsections 3.3.1.1, 3.3.1.2, 3.3.3 and 3.3.42) with independent members. Other important IGC recommendations relate to transparency of information, traceability of decision-making and improvement of financial controls.

Given the complexity of the task and in order to efficiently start the implementation of the governance reform project, the IGC strongly recommends to focus in a first phase on the most important recommendations and to include in the FIFA Statutes the underlying principles and competences. At the same time and similar to the recommendations contained in Section 1, the IGC strongly advises to implement some of the cornerstones of FIFA's new governance immediately, i.e. by decision of the Congress 2012.

## 3.3 RECOMMENDATIONS

Grouped along 4 major topics, this section presents those IGC recommendations, which are directly relevant to the Statutes of FIFA.

### *3.3.1 DEMOCRATIC REFORMS*

#### 3.3.1.1 Audit & Compliance Committee

An Audit & Compliance Committee should be established with the typical supervisory role of an Audit Committee, and the additional responsibilities for a Compliance Program as well as Compensation & Benefits. This includes the following primary steps, which should be implemented as soon as possible:

- The Chair and the Deputy Chair of the Audit & Compliance Committee should be independent in accordance with the definition to be included in the FIFA Statutes; in addition they should meet the necessary professional requirements applicable to all

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members of the Audit & Compliance Committee as set out in the proposed Organization Regulations;

- The initial candidates for those positions should be selected and proposed by the IGC;
- The candidates should be elected by the competent FIFA body and start their functions as soon as possible;
- The Audit & Compliance Committee should be given the competences and resources to discharge its purpose; it should draw up a budget and decide on the support of external advice at its own discretion. The Committee should be responsible for the selection of the external auditors (see subsection 3.3.3) and for examining the annual audit report and recommendations;
- In the area of Compliance, the Statutes should be amended by the responsibility of the Audit & Compliance Committee to establish and monitor a best practice Compliance Program. The Head of the Compliance Function (Compliance Unit) should have direct access to the Chair of the Audit & Compliance Committee. In addition, the Audit & Compliance Committee should have access to complaints and allegations filed under the confidential reporting mechanism and should receive regular updates;
- In the area of Compensation & Benefits, the Audit & Compliance Committee should have the following main responsibilities:
  - Define the overall Compensation & Benefits strategy of FIFA;
  - Decide on the Compensation & Benefits of the President, the Executive Committee Members, the Secretary General and the Independent Members of Standing Committees;
  - Transparency: The Compensation & Benefits (including all elements such as regular & variable compensation components, benefits, pension fund contributions, severance/termination regulation and payments) of the above listed positions should be individually and annually reported to the Congress;
  - Regulations should be adopted containing the strategy and criteria for Compensation & Benefits;

#### 3.3.1.2 Executive Committee

In order to support their supervisory function, the Chairs of the Audit & Compliance Committee and the Nomination Committee should participate in the meetings of the Executive Committee; they should therefore have a seat in the Executive Committee.

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#### 3.3.1.3 Terms of Office

Slightly differing from the suggestions of the Task Forces, the IGC proposes the introduction of the following terms of office:

- President: 2 terms of 4 years
- Executive Committee: 2 terms of 4 years
- Judicial bodies: 1 term of 6 years
- Chairmen of Standing Committees: 1 term of 8 years
- Retroactive effect: The current terms of affected officials should continue; upon expiration of a second 4-year term, only 1 additional 4-year term can be added;
- In addition, the Statutes should state the “staggered board” principle and should lay the foundation for an impeachment procedure by the Nomination Committee (to be further regulated on policy level) in case an official proves to be unfit for office during his/her term of office.

Contrary to the Task Forces, the IGC is not proposing an age limit; the proposed terms of office, the impeachment procedure and the integrity checks should serve the purpose of ensuring efficient corporate bodies.

#### 3.3.2 COMPLIANCE PROGRAM

The Statutes should be amended by the responsibility of the Audit & Compliance Committee to establish and monitor a best practice Compliance Program and to oversee the Compliance function.

During 2012, the relating policies and procedures need to be reviewed by the IGC before enactment by the Executive Committee. The policies need to address – inter alia - the following topics in a consistent (i.e. the same rule for officials and employees) and detailed way:

- Conflicts of interest
- Gifts & hospitality
- Confidential reporting mechanism
- Responsibilities and resources

#### 3.3.3 FINANCIAL CONTROLS

The biggest risk areas in terms of financial controls are Development Programs, decisions relating to the hosting of the Football World Cup, commercial decisions (e.g. marketing & TV rights), the use of funds by Member Associations and, Compensation & Benefits. The latter area should in a first step be addressed by the recommendations in subsection 3.3.1.1. For the other areas, the IGC recommends the following initial measures in order to improve traceability and transparency of decisions:

- Development Programs: In accordance with the proposal of the Task Forces, a Development Committee should be established taking all decisions regarding Development Programs based on a clearly documented and communicated strategy. All requests for development

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funds and the relating decisions should be properly documented. The use of funds should be tightly controlled (e.g. through audits by FIFA and the requirement for audited final reports by recipients of funds) and publicly disclosed. The FIFA Statutes should be amended accordingly.

- Hosting of the Football World Cup: With regard to the bidding procedure for the hosting of the Football World Cup, Article 79 of the FIFA Statutes should explicitly state the principles of integrity, fairness and equity. In a next step, the bidding procedure should be clearly regulated on policy level, including rules relating to campaigns of bidders. The corresponding policies and procedures should be reviewed by the IGC before enactment.
- Commercial contracts (TV rights, Marketing, i.e. licensing & hospitality, Ticketing and Sponsoring) should be put out to tender. The bidding procedures should be transparent and based on objective criteria. The IGC should review the relating policies and procedures in the next phase of the governance reform project.
- Financial controls over FIFA Member Associations: The Task Forces have made a number of specific proposals, especially relating to reporting and auditing of FIFA Member Associations. In order to ensure the application of FIFA's values and principles by its Members, the proposals by the Task Forces need to be further discussed and implemented on a policy level. The IGC should review those measures before enactment of the relevant policies and procedures by the Executive Committee.

In order to emphasize independence from management, the Audit & Compliance Committee should select and propose the statutory auditor of FIFA for election by the Congress.

#### *3.3.4 ENFORCEMENT*

##### **3.3.4.1 Ethics Committee**

The recommendations relating to the Ethics Committee are contained in Section 1 of this report.

##### **3.3.4.2 Nomination Committee**

In order to ensure the integrity of FIFA's officials and key employees in line with FIFA's values and principles, a Nomination Committee should be established. This includes the following primary steps, which should be implemented as soon as possible:

- The Chair and the Deputy Chair of the Nomination Committee should be independent in accordance with the definition to be included in the FIFA Statutes; in addition they should meet the necessary professional requirements applicable to all members of the Nomination Committee as set out in the proposed Organization Regulations;
- The initial candidates for those positions should be selected and proposed by the IGC;
- The candidates should be elected by the competent FIFA body and start their functions as soon as possible;
- The Nomination Committee should be given the competences and resources to discharge its purpose; it should draw up a budget and decide on the support of external advice at its own

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discretion. It shall also have access to internal investigatory resources of the Ethics Committee;

- The Nomination Committee should have access to complaints and allegations filed under the confidential reporting mechanism and should receive regular updates on information relevant for their remit;
- The remit of the Nomination Committee should include the following:
  - Search, selection and proposal of independent members of Standing Committees
  - Checks relating to professional criteria on all officials covered by such requirements
  - Integrity Checks on key officials and employees of FIFA
  - The cornerstones of the Integrity Check should be regulated in the FIFA Statutes:
    - Personal scope: Key officials, including President, Executive Committee Members, Committee Members to be elected by Congress, Finance Committee Members, Key employees
    - Temporal scope: Retroactive for all current position holders; upon election/re-election
  - Detailed regulation of content and process of the Integrity Check should be established by the Nomination Committee during 2012 and a corresponding policy should be adopted. The regulation should be reviewed by the IGC before adoption;
  - In order to improve transparency and democracy, all open positions covered by the Nomination Committee procedure should be made public and applications can be submitted to the Nomination Committee.

## 4 NEXT STEPS

After the approval of the IGC and the Task Force recommendations by the Executive Committee, the corresponding amendments to the Statutes should be presented to the Congress 2012. In addition, some recommendations require immediate implementation through decisions by the Executive Committee and the Congress 2012 respectively.

The revised Statutes and the immediate implementation of some important cornerstones of FIFA's governance - e.g. the new Code of Ethics and independent members in important supervisory bodies and the judicial bodies - will trigger the next phase of the reform project. The next phase should focus on the detailed implementation of the reform project on an operational level, based on the corresponding policies and procedures. The Task Forces have already started to work on some

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of the major policies. However, this work needs to be reviewed by the IGC in detail before enactment by the Executive Committee. Implementation of policies and procedures should be phased according to work progress with the aim for full operation after the Congress 2013.



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Prof. Dr. Mark Pieth  
Chairman Independent Governance Committee

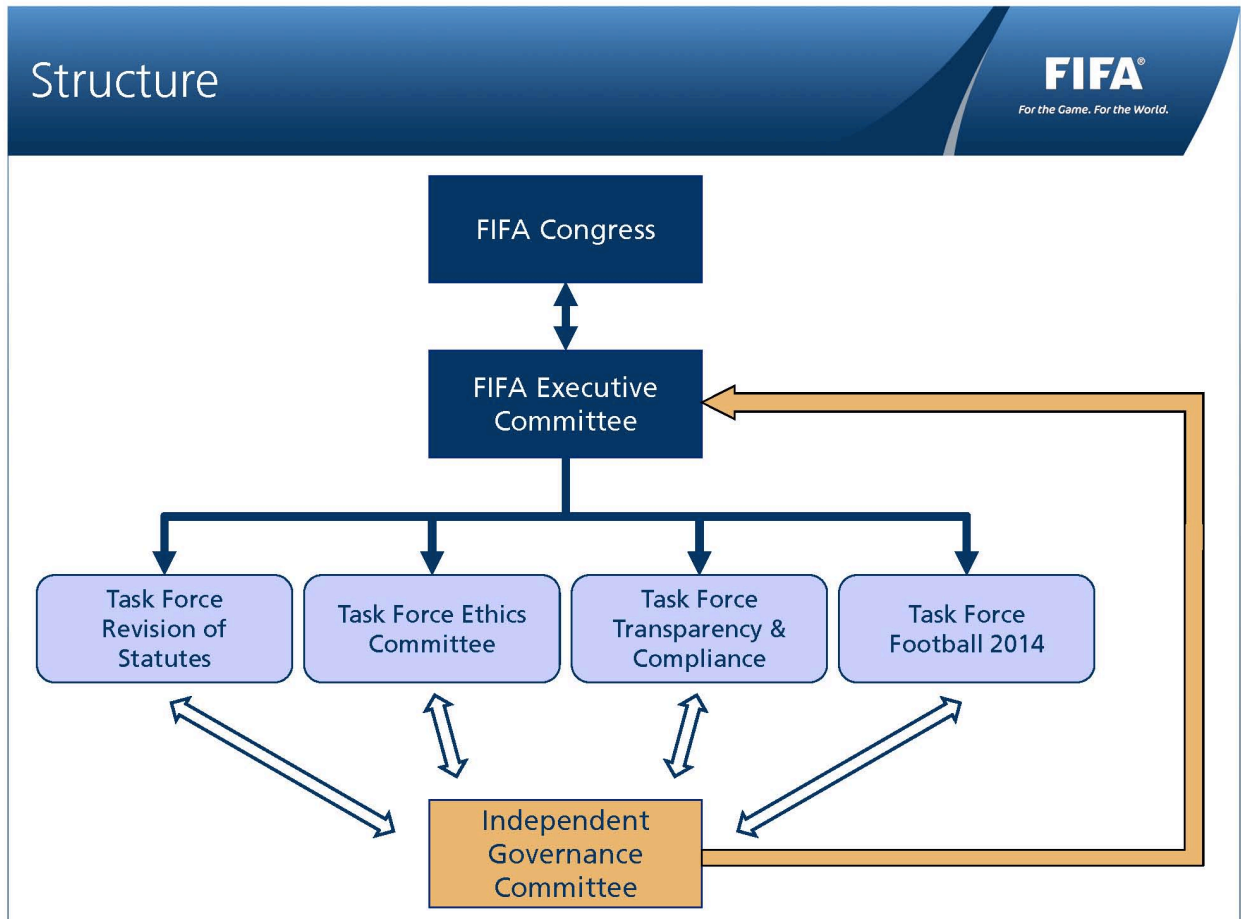
#### **Disclaimer**

The purpose of this Report is to provide the Executive Committee of FIFA with an independent assessment of FIFA's governance reform project including specific recommendations regarding the improvement of FIFA's governance. The information forming the basis for recommendations contained in this Report has been obtained in good faith from FIFA representatives and from interviews with its officials and employees. The information in this Report is, in the IGC's professional judgment, an accurate presentation and analysis of the information provided to us. However, the authors accept no responsibility for any information that has been withheld, knowingly or otherwise.

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### Annex 1:



# FIFA GOVERNANCE REFORM PROJECT

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Composition of Task Forces				 For the Game. For the World.
Task Force Revision of Statutes	Task Force Ethics Committee	Task Force <b>Transparency &amp; Compliance</b>	Task Force Football 2014	
<ul style="list-style-type: none"><li>• <b>Chairman</b> Theo ZWANZIGER (GER)</li><li>• <b>Deputy chairman</b> Suketu PATEL (SEY)</li><li>• <b>Member</b> John COLLINS (USA) James JOHNSON (AUS) Tai NICHOLAS (NZL) Manuel BURGA (PER)</li></ul>	<ul style="list-style-type: none"><li>• <b>Chairman</b> Claudio SULSER (SUI)</li><li>• <b>Deputy chairman</b> Petrus DAMASEB (NAM)</li><li>• <b>Member</b> Burton K. HAIMES (USA) Roosje SUWAE (PNG) Robert TORRES (GUM) Jorge Ivan PALACIO (COL)</li></ul>	<ul style="list-style-type: none"><li>• <b>Chairman</b> Frank VAN HATTUM (NZL)</li><li>• <b>Deputy chairman</b> Juan Ángel NAPOUT (PAR)</li><li>• <b>Member</b> Allan HANSEN (DEN) Danny JORDAAN (RSA) Kohzo TASHIMA (JAP) Jeffrey WEBB (CAY)</li></ul>	<ul style="list-style-type: none"><li>• <b>Chairman</b> Franz Beckenbauer (GER)</li><li>• <b>Deputy chairman</b> PELÉ (BRA) Kalusha BWALYA (ZAM)</li><li>• <b>Member</b> Carlos ALARCÓN (PAR) Demetrio ALBERTINI (ITA) Massimo BUSSACCA (SUI) CAFU (BRA) Ivan CURKOVIC (FRA) Jiri DVORAK (SUI) Sunil GULATI (USA) Fernando HIERRO (ESP) Alex HORNE (ENG) Christian KAREMBEU (FRA) LU Tracy (CHN) Ioan LUPESCU (ROM) Peter MIKKELSEN (DEN) Dejan SAVICEVIC (MNE) Marina SBARDELLA (ITA) Kohzo TASHIMA (JAP) Theo VAN SEGGELEN (NED)</li></ul>	



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#### **Annex 2:**

#### Independent Governance Committee (IGC) Members

##### Mark Pieth – Chairman

Mark Pieth has served as Professor of Criminal Law and Criminology at the University of Basel, Switzerland since 1993. Having completed his undergraduate degree and his PhD in criminal law and criminal procedure at this university, he spent an extensive period of time abroad, most notably at the Max Planck Institute for Criminal Law and Criminology in Germany and the Cambridge Institute of Criminology in the United Kingdom. After practicing for a time as a private barrister ('Advokat'), he returned to his alma mater to complete his post-doctoral ('habilitation') thesis on sanctioning and other aspects of criminology. From 1989 to 1993, Mark Pieth was Head of Section - Economic and Organised Crime at the Swiss Federal Office of Justice (Ministry of Justice and Police). In this role, he drafted legislation against money laundering, organized crime, drug abuse, corruption and the confiscation of assets. As a government official and later as an independent consultant, he also acquired extensive experience in international fora, amongst other things, serving as Member of the Financial Action Task Force on Money Laundering (FATF), Member of the Chemical Action Task Force on Precursor Chemicals and Chair of an intergovernmental expert group charged by the United Nations with determining the extent of the illicit traffic in drugs. From the mid-1990s to the present, Mark Pieth has held a range of functions at the international level. He has chaired the OECD Working Group on Bribery in International Business Transactions since 1990. In spring 2004, he was appointed by the UN Secretary General to the Independent Inquiry Committee into the Iraq Oil-for-Food Program. In autumn 2008, Mark Pieth joined the Integrity Advisory Board of The World Bank Group (IAB), advising the President of Bank and the Audit Committee on integrity issues.

##### José Luis Astiazarán

José Luis Astiazarán has served as Executive President of the Spanish Professional Football League since 2005. He is also Executive President of the Foundation of Professional Football and Vice-President of the Royal Spanish Football Federation. Prior to his current appointments, he was Executive President of the Real Sociedad de Fútbol and Vice President of the first division clubs of the Spanish Professional Football League. Mr. Astiazarán was also a practicing lawyer in the lawfirm Astiazarán y Astiazarán Abogados, specializing in civil, commercial and sports law and courts.

##### Lord (Peter) Goldsmith

Lord (Peter) Goldsmith QC, PC is Chair of European and Asian Litigation at Debevoise & Plimpton LLP. Lord Goldsmith served as the UK's Attorney General from 2001-2007, prior to which he was in private practice as one of the leading barristers in London.

He became Queen's Counsel in 1987 and has judicial experience as a Crown Court Recorder and a Deputy High Court Judge. Public appointments he has held include: Chairman of the Bar Council of England and Wales, Co-Chairman of the International Bar Association Human Rights Institution, Board member of the American Bar Association Rule of Law Initiative, Co-Chairman of the ICC Taskforce on Arbitrations Involving States and Chairman of the UK Financial Reporting Review Panel. He has an active international litigation practice and is a current member of the British House of Lords serving on the House of Lords Select Committee on the Constitution.

##### Leonardo Grosso

Leonardo Grosso has been a FIFPro Board Member since 1994 and FIFPro President since 2010. He began his career as a goalkeeper in Serie A with Genoa in 1963 before joining Serie B club Perugia in 1970. After four seasons with Perugia he signed for SPAL Ferrara in 1974 before ending his career with Modena in Serie B in 1978. During his 15-year career he performed in over 400 league appearances in Italy's two top divisions. Leonardo is a

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professional lawyer, an AIC (Italian Players' Union) Board Member, the President of the AIC UNLUS Solidarity Fund and a member of the Board of the Fondo Fine Carriera Giocatori ed Allenatori di Calcio (a Fund for Football Players and Coaches who ended their career). He also serves as vice-commissioner of ENPALS (a social services institute for professional athletes).

#### Sunil Gulati

Sunil Gulati is the current president of the United States Soccer Federation (USSF) and a lecturer in Economics at Columbia University. He serves as a senior advisor to the Kraft Group. Elected in March 2006, Mr. Gulati has been one of the most influential figures in the development of US soccer over the past 30 years. Mr. Gulati served as USSF Vice-President for six years and played a key role in major USSF decisions for many years prior to his election as president.

#### Carlos Heller

Carlos Heller has 44 years of experience in Public Management in the Cooperative Movement in Argentina. Since 2005, he has been serving as President of Credicoop Bank, a cooperative banking organization that chose Mr. Heller as its General Manager when it was founded in 1979. Mr. Heller was also the first Vice Chair of the Association of Public and Private Banks of the Republic of Argentina, the Vice President of the International Association of Cooperative Banks and was a member of the Executive Committee of the Confederation of Popular Banks. Mr. Heller was Vice-President of the Boca Juniors Football Team, Argentina's most famous and popular team. Mr. Heller is an elected member of the National Congress for the Autonomous City of Buenos Aires with a mandate until December 2013.

#### Michael Hershman

Michael Hershman is President and CEO of the Fairfax Group. He is an internationally recognized expert on matters relating to transparency, accountability, governance and security. The Fairfax Group has advised governments, corporations and international financial institutions on issues pertaining to the conduct of senior-level officials and/or the entities with which they do business. In December 2006, Mr. Hershman was appointed Independent Compliance Advisor to the Board of Directors of Siemens AG, a company with more than 400,000 employees. Mr. Hershman served as Senior Staff Investigator for the Senate Watergate Committee, the Chief Investigator for the Federal Election Commission, and as Chief Investigator for a joint Presidential and Congressional Commission reviewing state and federal laws on wiretapping and electronic surveillance. Immediately before founding the Fairfax Group, Mr. Hershman was Deputy Auditor General for the Foreign Assistance Programme of the U.S. Agency for International Development (USAID). Mr. Hershman is a Member of the Board of Directors and Chair of the Audit Committee for the Center for International Private Enterprise. For the past ten years he has been a member of, and Vice Chairman of the INTERPOL International Group of Experts on Corruption (IGEC), and for the past 12 years, he has sat on the Board of the International Anti-Corruption Conference Committee (IACC). For the past three years, Mr. Hershman has been selected as one of the one hundred most influential people in business ethics by the Ethisphere Institute. Mr. Hershman is founder of the International Anti-Corruption Academy an International Organization located in Austria and is Chairman of the Academy Senior Advisory Board.

#### Guillermo Jorge

Guillermo Jorge is founder and managing partner of Guillermo Jorge & Asociados, a Buenos Aires based legal and consulting firm specialized in preventing and enforcing anticorruption and anti-money laundering laws and regulation and asset recovery remedies. Mr. Jorge is also an active consultant for international organizations and Latin American governments. Mr. Jorge serves as the Director of the on Program on Corruption Control at San Andres University School of Law and was Drapper-Hills fellow at the Center for Democracy, Development and the rule of Law at Stanford University (2009), Reagan-Fascell fellow at the National Endowment for Democracy (2006), and fellow at the Stanford Center for Latin American Studies (2002). Recent publications include International Standards against Money Laundering, in Bernd Klose (ed.), Asset Tracing & Recovery, The FraudNet World Compendium, 2nd Ed., Dr. Erich Schmidt-Verlag, Berlin, Germany, forthcoming, 2012; Políticas de control

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de lavado de dinero, in Tokatlián, Juan G. (ed.), *Drogas y prohibición: una vieja Guerra, un Nuevo debate*, El Zorzal, Buenos Aires, 2010; *Recuperación de Activos de la Corrupción*, Editores del Puerto, Buenos Aires, 2008; *The Peruvian Efforts to Recover Proceeds from Montesino's Criminal Network of Corruption*, in Pieth, M. (ed.), *Recovering Stolen Assets*, Peter Lang, Bern, 2008. Guillermo holds a law degree from Buenos Aires University (1995) and an LLM from Harvard Law School (2003).

#### Seung-Tack Kim

Seung-Tack Kim is the Senior Executive Vice President & COO of Hyundai Motor Company. He is the Head of the Global Business Division, in charge of all global business matters of one of the largest automotive companies in the world. He first joined Hyundai Motor Company back in 1983, and is now nearing 30 years of experience in the heart of the automotive industry. He is well known for his expertise in global business planning and corporate planning both in Hyundai Motor Company and Kia Motors. His reputation is recognized not only within the industry, but also throughout various areas of the business world.

#### James Klotz

James Klotz is a partner at Miller Thomson LLP, and Co-Chair of the Canadian firm's International Business Transactions Group. Having led complex corporate and commercial transactions in more than 108 countries, he is widely respected for his deep knowledge and practical experience in the international business arena, his area of specialty. International anti-corruption is a related practice area. Mr. Klotz is currently President and Chairman of the Board of Transparency International Canada Inc. He is also Chair of the Bar Issues Commission of the International Bar Association, and Vice Chair of the Anti-Corruption Committee of the American Bar Association's Section of International Law. He was previously Chair of the Canadian Bar Association's International Law Section and Chair of its Anti-Corruption Task Force. Mr. Klotz is an Adjunct Professor of International Law at Osgoode Hall Law School.

#### François Morinière

François Morinière has been CEO of Groupe L'Équipe - Groupe Amaury, the market leaders in sport information since September 2008. Responsible for strategy, editorial content and financial results, François manages and oversees the development of the totality of the groups' printed media (L'Équipe, L'Équipe Mag, France Football, Vélo Magazine, Sport & Style, Journal du Golf, etc.) as well as its digital activities (internet, TV, mobile etc.). Before joining the Groupe L'Équipe - Groupe Amaury, Mr. Morinière has been the Managing Director and later the Chairman of the Executive Board of CBS Outdoor France.

#### Lydia Nsekera

Lydia Nsekera is serving as president of the Fédération de Football du Burundi since 2004, and as a member of the International Olympic Committee since 2009. She holds a degree in economic and administrative sciences at the University of Burundi. In addition to her roles at the Fédération de Football du Burundi and the IOC, she was a member of the NOC Women and Sport Commission (2001-2006); a member of the Organizing Committee of the 5th African women's football championships (2006), a Member of the Women's Football and Futsal Commission of the African Football Federation (CAF) (2006-), among others. Ms. Nsekera is currently a member of the Commission d'Organisation Tournois Olympiques de football and the Commission de Football Féminin et de la Coupe du Monde Féminine de la FIFA. She is a Winner of the IOC Women and Sport Trophy (2009).

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#### **Alexandra Wrage**

Alexandra Wrage is the president and founder of TRACE, an international non-profit membership association working with companies to raise their anti-bribery compliance standards. TRACE provides compliance tools and services to its members, including more than 200 multinational companies and more than 3000 SMEs in over 130 countries. Ms. Wrage is the author of *Bribery and Extortion: Undermining Business, Governments and Security* and the host of the DVD *Toxic Transactions: Bribery, Extortion and the High Price of Bad Business* produced by NBC. She has written three compliance guidebooks and is a guest blogger on the Huffington Post. Ms. Wrage speaks frequently on topics of international law, anti-corruption initiatives and the hidden costs of corruption and regularly writes articles appearing in the business and legal media. She has served as Chair of the Anti-Corruption Committee of the American Bar Association's (ABA's) International Section and Chair of the International Legal Affairs Committee of the Association of Corporate Counsel and is a longstanding member of the Working Group for the United Nation's Global Compact 10th Principle. Ms. Wrage, a Canadian, read law at Kings College, Cambridge University.