Money Laundering in the Brazilian Football Sector: international transfers of football players and their vulnerabilities
Mauro Salvo*

Resumo
Este artigo tem como objetivo analisar o mercado brasileiro de transferências de jogadores de futebol com a finalidade de constatar se este é ou não vulnerável à utilização para lavagem de dinheiro. A análise baseia-se em estudo do FATF/GAFI (organismo especializado na prevenção e combate à lavagem de dinheiro) e constitui-se numa aplicação deste especificamente para o caso brasileiro. Este estudo valeu-se de dados de contratos de câmbio fornecidos pelo Banco Central do Brasil – BACEN referentes a pagamentos/recebimentos pelas transferências de jogadores brasileiros de futebol, bem como de dados fornecidos pela Confederação Brasileira de Futebol – CBF.

Palavras-chave: Lavagem de dinheiro – Setor de futebol – Transferências internacionais de atletas

Abstract
This article aims to analyze the Brazilian market for transfers of football players in order to ascertain whether or not it is vulnerable to use for money laundering. The analysis is based on study of the FATF/GAFI (specialized agency in preventing and combating money laundering) and constitutes an application of that work specifically for the Brazilian case. This study drew on data from foreign exchange contracts provided by the Central Bank of Brazil - BACEN in respect of payments/receipts for transfers of Brazilian football players, as well as data provided by the Brazilian Football Confederation - CBF.

Key-words: Money laundering – Football sector – International transfers

JEL Classification: F22 - K42 - L51

1 - Introduction
The motivation for writing this article was the work performed and recently published by the FATF/GAFI that addresses this issue. From there we decided to apply the results of this study and analysis of the FATF/GAFI to the transfer of Brazilian football players market to and from abroad. The hypothesis to be evaluated is the transfer market for Brazilian players are vulnerable to being used by criminal organizations to launder money. Search will be by comparing the information disclosed on the website of the Brazilian Football Confederation - CBF with those contained in the foreign exchange contracts to confirm or refute the hypothesis by checking whether the signs pointed to the study of the FATF are present in the transfer market Brazilian players. The typologies indicated in this study will also be examined in order to determine whether these events could occur in Brazil.

The FATF/GAFI study analyses several cases that illustrate the use of the football sector as a vehicle for laundering the proceeds of criminal activities. After this analysis, money laundering (ML) through the football sector is revealed to be deeper and more complex than previously understood. Indeed, this analysis appears to show that there is more than anecdotal evidence indicating that a variety of money flows and/or financial transactions may increase the risk of ML through football. The ML techniques used vary from basic to complex techniques, including the use of cash, cross border transfers, tax havens, front companies, non-financial professionals and PEPs. This paper organizes the cross border transfers to identify and quantify how many and how much is involved in this kind of transactions, specifically for Brazilian operations.

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The following countries joined the FATF/GAFI project team and contributed to the study: Argentina, Belgium (as project co-leader), Brazil, France, Ireland (as project co-leader), Italy, the Netherlands (as project co-leader), Norway, Sweden, Switzerland and the United Kingdom. The report was written with support from the OECD sub-group on tax crimes and money laundering.

The aim of the FATF/GAFI project is to study one specific sport that could reveal money laundering schemes that may also be occurring in other sports. As one of the largest sports in the world, football was chosen. Both professional and amateur football were examined. Although the scale of vulnerabilities to money laundering is potentially different, risks in both areas were considered likely to be similar. The aim of this paper is to apply the analysis of the FATF to the Brazilian market for transfer of football players.

The FATF/GAFI report is based on four main sources: an extensive literature review, the analysis of the answers to a questionnaire sent to FATF and FSRB members; the results of a typology workshop and subsequent consultation with the football sector. It was used for this paper the information of foreign exchange contracts and CBF information concerning to international transfers.

Results to the questionnaire were obtained in October 2008 from 25 countries, mostly European, seven South-American countries, two from Asia and Australia. The responding countries differ widely in size, role and organisation of football in society (ranging from large countries with big football leagues to smaller nations or nations with only non-professional football). Differences in information, position and interest in the person or organisation that provided the answers (national football association, government representatives, national FIUs, the police or judicial authorities) needed to be taken into consideration as well.

2 - Sports and Money Laundering

Since ancient times, societies throughout the world have devoted considerable resources to sports, as well as offering praise to the exploits of sportsmen. What is new today is the surge of commercialisation of sport, the unprecedented internationalisation of the sports labour market, the considerable sums of money flowing in from broadcasters and sponsors, and massive cross-border investments by sponsors, including the sporting industry itself and sometimes “super rich” private investors.

Sports that could be vulnerable to money laundering problems are either big sports (worldwide like football or on a national basis like cricket, basketball or ice hockey), sports like boxing, kick boxing and wrestling (sports that have traditionally links with the criminal milieu because of the relationship between crime and violence), high value sports (such as horse and car racing where there are ample opportunities to launder big sums of money), sports using (high value) transfer of players, sports where there is much cash around, which give criminals opportunities to turn cash into non-cash assets or to convert small into large bills. This fact means that virtually all sports could be targeted by criminals, although for different reasons.

The professional football market has undergone an accentuated growth due to a process of commercialisation since the beginning of the 1990’s. Money invested in football surged mainly as result from increases in television rights and corporate sponsorship. Simultaneously, the labour market for professional football players had experienced unprecedented globalisation – with more and more football players contracted by teams outside their country and transfer payments of astounding dimensions.

Transfers are carried out all over the world. The cross border money flows that are involved may largely fall outside the control of national and supranational football organisations, giving opportunities to move and launder money. At the same time money from private investors is pouring into football clubs to keep them operating and can give the investor long term returns in terms of media rights, ticket sales, proceeds of sales of players and merchandising.

Football has changed from a popular sport into a global industry with an increasing economic impact at the top and important social functions at lower levels. Football can serve not
only as a source of income for many people, but also as a tool for local economic development, social cohesion, education, personal development and the transmission of human and cultural values. Partly due to the industry’s growth, football seems to be confronted with various forms of crime and corruption - including money laundering.

The multiple relations between crime and football have been described and analysed in several books (see for example Hill, D. (2008) The Fix, McClelland & Stewart, Toronto), and some “headline-grabbing” money laundering cases have been revealed by the international media. There are connections between criminal organisations and the world of football – ranging from internationally operating organised crime infiltrating top football to locally operating criminals with connections in local lower leagues or even amateur football.

3 – Structure of the Football Sector

To give an idea of the recent growth of professional football in Europe, total revenues in the big five European football leagues rose from EUR 2.5 billion in 1996-97 to EUR 7.9 billion in 2007-2008. Most of this increase came from broadcasting, of which a large part was channeled to increasing wage costs as the top European leagues attract most of the world's best players. Wage costs increased to over EUR 4.2 billion, compared with 1.2 ten years ago.

As already mentioned, the total size of the European football market is estimated at EUR 13.8 billion EUR, of which EUR 4.2 billion is spent on salaries in the big five European leagues, comprising only 98 clubs in total. This means one third of the football money flowing into the hands of a select group of just a few thousand star players and their managers. There are thousands and thousands of clubs – professional, semi-professional and amateur – scattered all over the world that fall outside the national and international elite of top clubs. The top clubs are able to attract young talent and best players from less wealthy clubs, including clubs in Africa and South America.

Considering these money flows, several important financial actors in the football industry can be identified: the clubs (basic cell of the industry), football players (most valuable assets of the industry), corporate sponsors (in most levels most important investor), media (especially powerful in top-league football), individual investors (“club patrons”), local business clubs or talent pools (investing in a club or in the acquisition of individual players), football agents (acting in the interest of the player or as an intermediary on the transfer market), (local) governments (subsidising clubs, acting as a lender of the last resort, sometimes owner of the stadium complex), tax authorities (in some cases a failing club will delay meeting its tax obligations in the hope of avoiding liquidation), real estate proprietors (stadiums are not always owned by the clubs or local government). In addition associations or leagues can act as regulators as well and sometimes operate financial clearinghouses for transfer payments. In some countries, supporters provide large amounts of cash and have an influence over club owners, the management and supplying businesses as well as, in a small number of cases being allegedly linked with organised crime. If there is fraud, corruption, tax evasion or money laundering it takes place within the complex network of relations between these actors.

4 – Vulnerabilities of the Football Sector

What makes the football sector specifically vulnerable to money laundering? A long list of possible vulnerabilities can be compiled based on responses to the questionnaires. These vulnerabilities are not unique to football or even sport in general, and they vary depending on the specific size and structure of the football sector on an international, national or even local level. Most vulnerability applies to professional football.

Several factors combine to make football one of the many sectors that are attractive to criminals. Based on FATF/GAFI analysis, three areas of vulnerabilities were identified, which relate to the structure of the sector, the sector’s finance and the sector’s culture. The football sector in Brazil contains all the features cited in the study of the FATF / GAFI. Some of them quite obvious, others less.
The market is easy to penetrate: This is mainly due to the low or absent entry barriers of the sector. Football fans from all areas of society meet at the football stadium. Meetings between government and corporate officials, and the legitimate and criminal world present opportunities for collusion.

Complicated networks of stakeholders: The sector is complex and characterised by opaque networks of stakeholders and interdependence between the different actors. With the growth in the number of international transfers and the skyrocketing sums of television and sponsorship money that is spent on sales and purchase of players, more and more people are involved in the sector such as managers, intermediaries, sponsors and companies who own players. This large number and range of stakeholders and the money flows facilitates the concealment of fraudulent activity, in particular as many of the transactions and the criminal activities are carried out abroad.

Management lacks professionalism: Except for the major professional leagues, which have been managed professionally for a number of decades, the management of the football sector has only recently begun moving from a style appropriate to the sport of amateurs to one of professionals. The real sports business is fairly new. It really started only twenty years ago. Even today, management can still be volunteer and inexperienced. However, in many cases there is indeed development towards levels of professional management that is more in line with the current management standards – both in amateur and in professional football.

Diversity of legal structures: the legal structures of football clubs vary from private limited companies to foundations. Often the stadium activities are managed through different companies. In some cases players’ funds (talent pools) are separate legal entities. The lack of regulation or control over legal structures and the ownership or control of football clubs means that they are easy to acquire.

Considerable sums are involved: The sector deals with considerable cash flows and large financial interests. Many of the transactions within the sector involve large amounts of money, for instance on the transfer market. Competition is stiff, both nationally and internationally, and the performance of a club on the field also determines its financial position. Financial circuits are multiple and global, and the international money flows that are involved risk falling outside the control of national and football organisations. Often these money flows move in and out of tax havens or involving many countries. It was not unusual for clubs that had a large proportion of their revenues from stadium entry tickets to receive nearly all their revenues in cash.

Irrational character of the sums involved and unpredictability over future results: Prices for players can appear irrational and are hard to control. As well with the discovery and subsequent training of young talent, massive but uncontrollable profits can be made. Transfers are carried out all over the world, providing ample opportunities to launder money. In addition, sport is essentially characterised by a high level of unpredictability over future results. This “culture of unpredictability”, might lead to an increased tolerance towards seemingly irrational payments. There is a wide variety of different accounting methods applied. Finally, the intangible nature of player values has led to some strange practices – for example, in some countries there was historically a practice of reciprocal over-valuation of players between two clubs in a deal where players were exchanged allowing inflation of asset values/the balance sheet.

Financial needs of football clubs: Despite the tremendous growth of the industry as a whole, many football clubs are financially in bad shape and their financial trouble could urge football clubs to accept funds from dubious parties. The financial fragility is partly the result of the nature of the game. Big clubs need large sums to have success and to be able to buy players. Sport is a typical “winner-take-all market”. Winner-takes-all markets do not pay according to absolute performances but according to performance relative to others. Losing just one game can have massive financial consequences (decline of income from sponsors, television rights, relegation to a lower division). Financial vulnerabilities can make football clubs an easy target for dirty money. Clubs that face relegation or are in financial trouble could be in need of “financial doping”. The inherent financial fragility could be exaggerated by the recent global financial crisis, which has made it harder to find sponsors. There is a risk that clubs that are in debt will not ask many
questions when a new investor appears. Moreover, a very high proportion of the sector’s cost base is composed of tax, meaning in some cases a culture of seeking to circumvent tax and closer proximity to underground activities.

**Social vulnerability of some players:** (This is especially the case with younger players.) If they are badly advised, players could easily be subject to shady businesses. This could make it easy to manipulate some market’s key players.

**Societal role of football:** People are reluctant to shatter sports’ illusion of innocence. Therefore, illegal activities may not often be reported. Furthermore, the image of sports is very important, particularly to the sponsors. Sponsors try to buy a good image by supporting a particular sport. A rumour about money laundering will likely result in the withdrawal of the sponsor and his funds and loss of fans and the revenue they bring. This makes it less likely that money laundering or other crimes are reported by the management of football clubs.

**Non-material rewards:** Football has a status with which many people would like to be associated. Criminals often seek a status outside the criminal world and football can offer the opportunity for acquiring such a patron status (sugar daddy) thanks to supporting a club no matter where the money comes from. An investment in a football club can provide the criminal the favoured status. In most cases investments in football clubs are characterised by a high degree of uncertainty over future results. However there are strong non-material rewards for wealthy individuals who invest in football clubs or players.

Football clubs are deeply rooted in (local) societies. This makes football clubs an attractive way to gain social status in the local community and get entry to the establishment. By investing in football, criminal organisations might also gain control of associated activities such as betting, real estate businesses and contracts with the local government (in some countries, many club owners have come from the construction industry). This complex set of financial and non-financial motives could make football attractive to criminals seeking legitimate social status. What is happening is that the laundered money is being “integrated” and being used to buy celebrity and influence which have a value of their own and provide opportunities for further legal and illegal gains. The criminal is buying an entrance ticket to a social milieu. Football has indeed a long history of investments by private wealthy individuals or companies who have achieved success in other businesses. There are also instances of individuals with more dubious background investing in football – both on the highest levels of the football pyramid and on local amateur levels – and gaining legitimate status in society might be a motivator for this.

5 – Cases and Typologies

Based on our analysis of the use of the football sector as a vehicle for laundering the proceeds of criminal activities, a variety of money flows involving various financial transactions increase the risk of money laundering. These are related to:

- Ownership of football clubs
- The transfer market and ownership of players
- Betting activities
- Image rights, sponsorship and advertising arrangements

Investments in football clubs are a risk area for money laundering due to a lack of transparency regarding the source of funding. Indeed, investments may be unclear and obscure, making it difficult to verify the origin of the invested funds.

**Investing in a club in financial difficulties**

The FIU of country B received a disclosure from a bank with regard to suspicious transactions concerning club A. This club, which was in financial difficulties, was looking for funds (several million EUR) in order to avoid bankruptcy. A financing proposal was put forward by a financial group established in South America. It was linked to an individual that had already invested funds in various foreign clubs. These funds were suspected to be of illegal origin. After the bank inquired into the origin of the funds the financial group withdrew from the negotiations. A second financing proposal was then put forward by Mr. COX, a European investor through his
company located in a tax haven. Suspicions were aroused because this individual, unfamiliar to the world of sports, had suddenly suggested investing money of unknown origin in club A. Additional information showed that Mr. COX was known to the police and FIU for various cases of fraud. In this case the different possibilities for investing in club A can be considered to be attempts to launder money of illegal origin.

**Drug trafficking and investment in a football club**

This activity showed all the indicators of a non-profitable business; however, the salaries and infrastructure paid under this new administration were well above the average of other teams in the same category, and the sponsoring companies were known for their low financial solvency. It is presumed that the payment of high salaries, infrastructure and the alleged sponsorship were aimed at increasing the value of the franchise in order to legitimise its investors as recognised entrepreneurs and important people in sports sector. The team rose from third to second division in a year. Later, the investor was identified as the leader of a drug trafficking network. It has been observed in several countries that some owners and / or investors in football clubs are often awarded contracts for public works.

**Corruption and PEPs**

A pseudo-businessman linked to local government officials acquired a profitable team in the professional football league and used this as a means to attract politicians and officials of various levels of government. Thanks to his team and football matches, he had access to local officials with decision-making power over the state's public works, and he used these contacts to ensure that major public works were assigned to him.

The following are examples of the way in which a football club could become a vehicle for money laundering, through the investment in or purchase of a club14. It is not vital to the mechanism that the business at the centre of it is a sporting club, merely that the business can be bought easily and that high value transactions are part of its normal business model. Any business with a significant cash turnover would be as vulnerable to manipulation in this way. The construction of sports facilities and the purchase of large amounts of equipment provide fertile fields for corruption in procurement. Where money flows, corruption often follows.

**Securities based money laundering**

A enters into negotiations through agents on both sides to buy players from a number of other clubs. As agent is an offshore corporate entity based in a low tax jurisdiction. The transaction involves secret pay back fees paid by the selling club to A’s agent which are built into the price of the players paid by A. The commission paid to A’s agent is paid onwards to a third party, which is an offshore entity controlled by A, and this commission equals A’s original investment. A now owns the majority shareholding in a high value football club at no net cost to himself he has also laundered the original purchase price of the club.

Cash received from ticket sales for football matches may be open to manipulation in order to launder funds by falsifying the books of a football club. In major leagues, clubs have been required to implement, also for safety reasons, strict controls (through machines) on the number persons entering the stadiums. In some countries, the local federations agree to supply a very large number of tickets. Even though clubs state these are all sold, the federation does not check this. It is important to obtain properly documented and corroborated information as to the identity, background, business and sources of wealth and funds of each club and its owners. It is therefore vital to understand who the real beneficial owners and controllers of a club are. This requirement is needed to preserve the independence of clubs but will also assist in the fight against money laundering.

**Acquisition of players**

A football club with high debts in Latin American country Z signed a management contract with a collective investment fund, constituted in a tax haven, under which the investment fund pledges to allocate funds in order to cancel the society’s debts and to share the results.

The club then acquired the player “Ito” from another local football club (Argentina) for USD 20 000 000. The football club based in country Z transferred the funds to an account that
the selling club has in a third country. The funds never entered Argentina. Thus, little was known
about the origin of the funds or the account into which they were deposited in the third country.

Warning Signs of this typology was characterised by the following stages:
- Unknown (anonymous) investors willing to allocate funds.
- Collective Investment Funds constituted in tax heavens.
- Acquisition by collective investment funds of the management of football clubs with debts or in an
irregular situation, in need of attracting investors.
- Allocation of funds for the acquisition of football players.
- Money transfers to the football club that acquires the football player, to accounts located abroad.
- Football club based in developing countries that have offers of football players prized in
millionaire sums.
- Football clubs receiving contributions through companies constituted in tax havens, where the real
investors of such funds remain unknown.

Another problem is raised by the multiple financial transactions that occur during the
transfer process. Besides the transfer sum which is stated in the contract, there are transfer bounties
and the additional costs that are made to attract a football player (house, car, financial arrangements
for the family etcetera). All of these items can be used for the benefit of players but also by clubs,
managers and agents.

There are no fixed rules on how these transactions should be accounted for. The
overall settlement of the transfer could therefore remain non-transparent and provide opportunities
for money laundering. A relatively recent development is the possibility of ownership of players (or
rights in players) by individuals or entities that are not football clubs. These persons fall outside the
direct jurisdiction of the football organisations. The ownership structures often involve companies
in offshore jurisdictions with complex and often impenetrable ownership structures. A significant
amount of money is generated as a result of player transactions that have resulted in significant
sums being paid to such entities where they hold the ownership rights to certain players. Due to the
limitations of the football organisations jurisdiction, the basis of the acquisition of these rights and
the trading, funding and ownership position of the entities through which such transactions are
managed is opaque and often impossible for the football organisations to establish.

**Talent pools**

A club purchases a player for EUR 10 million but states in the official documents
that it has purchased the player for EUR 5 million. The total amount of EUR 10 million is provided
by the investors. These investors invest EUR 5 million in the talent pool and provide the club
another EUR 5 million of the books which could be “dirty” money. The player needs to improve
himself and will later be sold to another club for a transfer sum of say EUR 15 million. Everyone
who is involved in the deal will gain by the acquisition and sale of the player. The club can by the
extra donation of EUR 5 million buy a better player. The investors can launder EUR 5 million and
get a return on their investment. And the players’ agent gains a good commission since his player is
bought for EUR 10 million instead of EUR 5 million and is later on sold for EUR 15 million.

**Image rights, sponsorship and advertising arrangements**

Players with an excellent reputation and sometimes others as well get the chance of
concluding so-called “image contracts” with companies that generally have their registered office
abroad. These contracts take advantage of the “rights to the player’s image” and are a tool to exploit
personal appearances by the player as part of broad publicity campaigns but could represent
vulnerabilities in respect to tax evasion and money laundering activities, even if the research for this
report was unable to turn up any examples of proven cases.

The money due as stipulated in the contract is transferred to the company’s account,
often in a tax haven. This implies various risks: risk of fraud for the players with a very powerful
image as they may be tempted to not declare part of the money received or be used as a
“gatekeeper” for financial transactions in favour of a third party, and risk of money laundering for
the players with an image that is not so powerful, they are used to launder money that is not related
to their image. The player needs to be an accomplice in order to successfully complete these
transactions. Another scheme may be set up internally. When the club needs to “release” cash for some dubious use it will “officialise” this release under the pretext of paying for an image contract and then recover part of it.

Another possibility could be the use of fictitious image rights. In this scheme, payments for fictitious image rights are not remuneration for the use of the image rights of the player. In fact the payment is part of the football salary. The club pays a sum which does not make any connection with the actual value of the image rights or with the income to be earned. The players involved often have high football qualities, but a poor, even minimal exposure. Therefore afterwards, it emerges that the club has not or hardly made any commercial use of the rights. By disguising a part of the football salary as a payment for image rights the club and the player try to postpone or entirely cancel taxation in the same way as described above for the real proceeds of image rights.

Another risk area involves large money flows stemming from sponsorship and advertising arrangements. Part of professional football clubs’ income depends on sponsors who invest in football for marketing reasons. If no check is done on sponsors’ backgrounds, organised crime can use sponsoring as a gateway to legitimate business. By acquiring a certain dominant position within a professional sporting organisation the sponsor gains access to a corporate network.

6 – Football Players Transfers Market

The increasing internationalisation of the market for football players has added to the vulnerability to money laundering. At the World Cup of 2006 for the first time in history over half of the players in the best national teams of the world were playing in foreign football clubs. The liberalisation of the TV markets and the expansion of private TV chains in Europe greatly contributed to the increase of budgets of clubs, the salaries of players and, consequently, the internationalisation of the market for football players. The transfer market is vulnerable to various forms of misuse, such as tax evasion, insider fraud and also money laundering. Vulnerabilities are connected with lack of transparency in relation to the funding for certain transfer transactions and the opportunity for funds to be paid offshore with limited disclosure requirements regarding beneficial ownership of destination accounts. Estimating the transaction price for a player is often unfeasible, since large amounts are involved, often carried out in one transaction or transferred abroad, making it difficult to verify their final destination. The over-evaluation of a player corresponds to a money laundering technique similar to the over-invoicing of goods and services seen in trade-based money laundering. The key element of this technique is the misrepresentation of the price of the good or service in order to transfer additional value.

7 – Analysis of Brazilian Football Players Transfers Market

In the October 2010 “Improving Global AML/CFT Compliance: On-going Process”, the FATF identified 31 jurisdictions with strategic AML/CFT deficiencies that have provided a high-level political commitment to address the deficiencies through implementation of an action plan developed with the FATF. The situation differs in each jurisdiction and therefore each presents different degrees of ML/FT risks. The FATF encouraged its members to consider the information in the public document. These jurisdictions are: Angola, Antigua and Barbuda, Bangladesh, Bolivia, Ecuador, Ethiopia, Ghana, Greece, Honduras, Indonesia, Kenya, Morocco, Myanmar, Nepal, Nigeria, Pakistan, Paraguay, Philippines, São Tomé and Príncipe, Sri Lanka, Sudan, Syria, Tanzania, Thailand, Trinidad & Tobago, Turkey, Turkmenistan, Venezuela, Vietnam, Ukraine, and Yemen.

Brazilian tax authority lists the countries considered as tax havens those that tax at a rate below 20% or whose domestic law does not allow access to information concerning the ownership structure of corporations or their ownership. From the information I stated above exchange contracts relating to transfers of football players and found the quantity and value of transactions that Brazil made with countries that have some kind of vulnerability, as the following chart.
Between 2005 and 2009, Brazil carried out 786 (15.9%) transfers of players to 17 countries with deficiencies in their policies on preventing and combating money laundering and returned 440 (16.6%) athletes of such countries.

With respect to tax havens, Brazil transacted with 13 players a total of 53 such countries, of which 364 (7.4%) players were sent abroad, and 235 (8.8%) returned between the years 2005 to 2009. Brazil has also made financial transfers to other nine countries considered tax havens with no transfer of players had to those countries. It should be emphasized that this is legitimate but it deserves greater attention.

Graphic - 1

Most transactions are conducted by clubs, however, the market boasts a wide variety of agents. When it comes to the clubs values predominate with 88% of the amount transacted, but represent only 58% of the number of agents, as shown in the table below.

Table - 1

<table>
<thead>
<tr>
<th>Agents</th>
<th>Quantity</th>
<th>Amount (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lawyers</td>
<td>4</td>
<td>1,266,727.54</td>
</tr>
<tr>
<td>Advising Consulting</td>
<td>29</td>
<td>24,359,726.73</td>
</tr>
<tr>
<td>Events, Promotion and Marketing</td>
<td>15</td>
<td>23,912,421.21</td>
</tr>
<tr>
<td>Management</td>
<td>9</td>
<td>3,033,806.28</td>
</tr>
<tr>
<td>Others</td>
<td>38</td>
<td>10,526,985.38</td>
</tr>
<tr>
<td>Total Legal Person except Clubs</td>
<td>95</td>
<td>133,686,615.65</td>
</tr>
<tr>
<td>Clubs</td>
<td>201</td>
<td>1,131,722,739.05</td>
</tr>
<tr>
<td>Total Legal Person</td>
<td>296</td>
<td>1,265,409,354.70</td>
</tr>
<tr>
<td>Natural Person</td>
<td>51</td>
<td>20,844,405.68</td>
</tr>
<tr>
<td>Total (Legal + Natural Person)</td>
<td>347</td>
<td>1,286,053,760.38</td>
</tr>
</tbody>
</table>

Source: Central Bank of Brazil

The amount of players sold abroad has been increasing until 2008 and experienced a small decline in subsequent years. By the side of returns, the number has also been growing. These movements can be explained by the 2008-2009 crisis that strongly hit central economies, the relative improvement in emerging economies (including Brazil), and the strengthening of the Brazilian currency against the Euro and the Dollar. This may explain why in recent years the number of returns of Brazilian players remained high.
Interestingly, the securities traded on selling players abroad are much higher than the amounts paid upon the return of these players. This can be explained by the quality of the player and the time of his career during the negotiations. Often, when the Brazilian players leaving for other countries are young and with great potential to bring financial gains, while when they return they are in the end of their career.

8 – Final Considerations

Based on the evidence reviewed it is concluded that the transfer market for football players in Brazil is highly vulnerable to money laundering. Most of the typologies identified by the FATF/GAFI fits the reality of the football sector transactions in Brazil. It is recommended that special attention of the authorities to financial institutions when conducting such operations while other legal and regulatory measures are not applied. It is also recommended that COAF (Brazilian Financial Intelligence Unit) apply some regulatory measures directly to football sector agents, such as clubs and any other that performing in this market.


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