FIFA Financial and Governance Report 2015: Frequently Asked Questions

You have reported a significant loss for 2015, and you also announced at the Extraordinary Congress in February that you are USD 550 million behind your goals for the cycle. Have you had to reduce costs or will there be budget cuts?

FIFA remains not only confident that it will achieve its budget target for the 2015-2018 cycle, but that it may potentially exceed the target based on future revenues generated through the sale of rights as well as a reduction of costs.

The 2015 loss is attributable to the unforeseen costs due to the extraordinary circumstances that occurred as well as the slower pace of finalising revenue-generating contracts. To minimise the scale of the loss, the administration took a number of cost-reducing steps, which led to savings in committees, fewer travel activities, postponement of projects and budget optimisation, amounting to approximately USD 117 million in savings.

For the rest of the cycle, FIFA will continue to control costs.

FIFA has increased its revenue target for the 2015-18 cycle. How will you possibly achieve this objective given the lack of sponsors signing up with FIFA?

FIFA is confident that the reforms underway will help to restore trust with commercial partners and achieve the budget goals for the 2015-2018 cycle, which have been adjusted to reflect the priorities set by FIFA President Gianni Infantino.

Have you provisioned for a potential fine imposed by US or Swiss authorities as a result of current investigations?

The FIFA management is of the view that based on FIFA's current status as a victim in the investigations by the US authorities and based on its designation as a damaged party in the investigations conducted by the Swiss authorities, and given that FIFA intends to continue its path of full cooperation with the respective authorities within the boundaries of applicable law, no such provisions need to be made at this time.

How do you justify such high compensation for Mr Blatter and Mr Valcke?

Decisions on the compensation of key management personnel are taken by the Compensation Sub-Committee, which includes the chairperson of the Finance Committee, the independent chairperson of the Audit and Compliance Committee and one independent member who is an executive search consultant.

The Compensation Sub-Committee conducted an independent executive benchmarking analysis in 2014 to serve as a basis for evaluating the salary level of FIFA's senior management. They mandated an independent, external company that specialises in HR and compensation issues. This company defined the reference groups for the benchmarking analysis.

The executive benchmarking analysis revealed that the salary level of FIFA's senior management was within the range of the reference groups applied.

The compensation policy is currently being reviewed by the Compensation Sub Committee in line with the new FIFA Statutes and regulations.

Will Mr Blatter and Mr Valcke continue to be entitled to a pension despite being banned by the Ethics Committee?

Mr Blatter and Mr Valcke, having been under a FIFA employment contract, fall under Swiss social security law, which regulates their entitlements.

This is different to the policy regarding Executive Committee members, who perform their duties on a mandate agreement and therefore do not fall under Swiss labour law and are not part of the Swiss pension scheme. As mentioned in the Financial and Governance report, the Compensation Sub-Committee cancelled the pension benefits of members of the FIFA Executive Committee who were permanently banned by the Ethics Committee.