

Training Compensation Fee

To the attention of National Federations.

This document provides more details on the Training Compensation Fee, which has been in place since 1st June 2023 (see articles 2.13.220, 2.15.244 and 2.16.059). The aim of this initiative is to explicitly acknowledge and enhance the crucial role of club teams and UCI (Women's) Continental Teams, which are involved in the training of new-professional riders when they sign their first contract.

Context and rules:

When a new-professional rider, within the meaning of article 7 of the <u>Joint Agreement</u>, joins a UCI WorldTeam, UCI ProTeam or UCI Women's WorldTeam <u>for the first time</u>, training compensation fee must be paid to all the teams that have contributed to his training since the year in which he turned fifteen, for a maximum period of eight years.

	Description	Comments
Conditions for compensation:	When a new-professional joins a UCI WorldTeam, UCI ProTeam or UCI Women's WorldTeam for the first time.	Teams eligibles to receive compensation: Teams involved in their training from the year they turn fifteen
		up to a maximum of eight years are eligible.
Amount of compensation:	For WTT: €2,000 For PRT: €1,000 For WTW: €500 Per year of registration in a club or a UCI (Women's) Continental Team from the fifteenth year onwards.	Pro-rata temporis calculation for incomplete years.
Responsibility for invoicing:	The concerned National Federation(s) must inform the UCI professional teams (WTT, PRT or WTW) of the amount to be paid no later than 3 months after the publication of the rider on the UCI website.	
Payment responsibilities:	The WTT, PRT and WTW teams are responsible for payment. The National Federation(s) that registered the rider receive(s) the compensation.	Possible agreement between the team and the National Federation(s) on payment dates (a schedule can be drawn up).

Distribution of compensation:	The National Federation(s) shall redistribute the total amount pro-rata temporis to the club(s) and/or UCI (Women's) Continental Team(s) where the rider has been registered.	
Proof of payment:	The National Federation(s) shall provide the WTT, PRT or WTW teams with proof of payment made to the affiliated club(s) and/or UCI (Women's) Continental Team(s).	Proof to be provided within one year of payment.
Case of the non-existence of a	If a Club or UCI (Women's)	
UCI Continental Club or Team:	Continental Team no longer exists, the National Federation uses the amount for its own development programs.	
Disputes:	Any dispute shall be submitted to the UCI Arbitral Board.	The decision of the Arbitration Board is final and without appeal.

FAQ on the Training Compensation Fee.

1. When does the training compensation fee apply for a rider moving from a club or a UCI (Women's) Continental Team to a UCI professional team (WTT, PRT or WTW)?

Since 1st June 2023, the training allowance only applies when a rider signs <u>his first professional contract</u> with a UCI ProTeam, UCI WorldTeam or UCI Women's WorldTeam.

In other words, if a rider has already signed a neo-professional contract in the past, the allowance may not be received even if the rider, after his first neo-professional contract, has returned to a club team or a UCI (Women's) Continental Team.

<u>Special case:</u> In certain cases, riders registered in a UCI (Women's) Continental Team may also hold a licence with a club of their choice. In this case, the allowance shall be paid to the UCI (Women's) Continental Team and not to the club team (see article 1.1.046).

2. What happens if the rider signs with a development team of a WTT, PRT or WTW team?

When a rider moves from a development team linked to a WTT, PRT or WTW team to a UCI professional team (UCI WorldTeam, UCI ProTeam or UCI Women's WorldTeam) there are two situations:

- If the rider signs for the professional team with the same paying agent as the development team:
 - > The invoice is sent to the professional team, which is the same legal structure as the development team.
 - The amounts invoiced do not include the years within the development team, thus avoiding a payment from the structure to itself.
- If he signs for another professional team (with a different paying agent to that of the development team):

- The invoice is sent to the professional team in which the rider has signed.
- > The amounts invoiced include the years in the development team, ensuring compensation for the team's training work.

See example 2 in the document.

3. Who can claim compensation and how are clubs included?

The training compensation fee applies to UCI Continental Teams (men and women) and club teams. Clubs are included in the process, as they are managed by the National Federations. National Federations are responsible for ensuring that clubs are compensated in accordance with the applicable UCI regulations. UCI (Women's) Continental Teams must not invoice the training compensation themselves; they must contact the National Federation with which they are registered.

4. What happens if a rider changes team during the season?

There are two possible interpretations for this question:

- 1. If the rider signs his first contract with a UCI professional team (WTT, PRT or WTW) and changes team during the season, only the first UCI professional team compensates the lower category teams, as it is the team with which the rider signed his first neo-professional contract.
- 2. If the rider changes teams during the period between his 15th birthday and the signing of his first new-professional contract, all teams shall be compensated. The amount due is calculated in proportion of the time spent with each team, in the case of incomplete years.

See examples 3 and 4 in the document.

5. Who issues the invoice for the training compensation fee?

The National Federation responsible for registering the team(s) where the rider has competed since his fifteenth year shall issue the invoice.

For example, if a rider of British nationality has trained in clubs registered with the Belgian National Federation, it is the latter that will issue the invoice and not the British National Federation. This ensures an efficient centralisation of the process with a view to facilitating payment to the clubs and teams concerned.

See example 5 in the document.

6. Does the allowance apply if a rider registered with a UCI (Women's) Continental Development Team participates in an event with the professional team (WTT, PRT or WTW) that has the same paying agent?

No, the training compensation fee does not apply to one-off exchanges of riders between a development team and the professional team with the same paying agent (art.2.1.005bis). However, the training compensation fee will be payable if the team decides to register him in the professional roster and he signs his first new-professional contract (see question 2 for invoicing conditions).

7. How is the allowance calculated for a men rider signing his first neo-professional contract at the age of 25?

Training compensation is payable from the year in which the rider turns 15 up to a maximum of eight years. The calculation depends on the years during which the rider has a licence.

Example:

- A rider takes his first club licence at the age of 15 and remains licensed until he signs his first new-professional contract. In this case, only the teams in which he will have been registered between his 15th and 23rd years (8 years) will be compensated.
- A rider who takes out his first club licence at the age of 15, no longer has a licence for his 16th and 17th years and then takes out a licence again at the age of 18 until he signs his first new-professional contract. In this case, the teams in which he will have been registered at the age of 15 and between the ages of 18 and 25 (8 years) will be compensated.

Note: For the record, new-professional status for women riders only applies up to the age of 23 (see article 2.13.166 bis).

8. How does the invoicing process work when a rider changes National Federations during his training?

When a rider moves to different National Federations during his training, each National Federation involved in the rider's training shall issue an invoice for the period during which the rider was registered in its country. Each invoice corresponds to a lump sum per year of registration, calculated pro rata temporis in the case of incomplete years.

In this way, each National Federation receives the amount relating to the rider's training period in its country. Once the funds have been received, the National Federations redistribute the amounts pro-rata temporis to the affiliated clubs and/or UCI (Women's) Continental Teams.

See example 5 of the document.

9. Can the training compensation fee be subject to any form of taxation?

The amounts of the allowance established by the UCI Regulations are the amounts that must be invoiced to the professional teams. We invite the National Federations to check whether any amount should be deducted in application of national tax or legal provisions.

Examples of how the Training Compensation Allowance has been applied

Example 1: Signing a first contract at the age of 25

<u>Situation:</u> A rider signs his first new-professional contract at the age of 25 with a UCI ProTeam, after having spent all these years with French clubs.

<u>Training compensation fee</u>: Due from the year in which the rider turns 15 until he turns 25 for a maximum of 8 years, in proportion of the period during which he was in training (see question 7).

<u>Calculation:</u> 8*€1,000 = €8,000

The French National Federation issues an invoice for €8,000 to the UCI ProTeam that registers the rider. The team pays the National Federation directly, which then redistributes the amount to the concerned club teams.

Example 2: Transfer from a development team to a UCI WorldTeam

Situation: A rider from a development team signs with a UCI WorldTeam.

Training compensation fee:

• If the rider signs for the UCI WorldTeam with the same paying agent as his development team: The National Federation(s) shall send an invoice to the UCI WorldTeam, not including the years in the UCI

Continental Development Team.

• If he signs for another team (WTT or PRT):

The National Federation(s) send(s) an invoice to the UCI WorldTeam, including the years in the UCI Continental Development Team.

Example 3: Change of team during the season after signing with a UCI WorldTeam

Situation: A rider signs with a UCI WorldTeam and changes team during the transfer period.

<u>Training compensation fee</u>: Only the first team pays compensation to teams in a lower category, through the National Federation(s), as this is the team with which the rider signed his first new-professional contract.

Example 4: Change of team before the first new-professional contract

Situation: A rider changes team several times before signing his first new-professional contract.

Training compensation fee: Each team is compensated in proportion of the time spent with each team.

Example 5: Change of National Federation during the training period

<u>Situation:</u> A man rider begins his cycling career at the age of 18. He rides for a club in Belgium for the first three years, then joins a UCI Continental Team in Great Britain for one year, and finally returns to Belgium for another year with a UCI Continental Team before moving to a UCI WorldTeam at the age of 23.

<u>Training compensation fee</u>: The Belgian National Federation takes into account the rider for his first three years with a club, and the amount due by the WTT is 3 * €2,000 = €6,000.

The British National Federation takes into account the rider for one year with the UCI Continental Team, and the amount due by the WTT is $1 * \le 2,000 = \le 2,000$.

For the final year in Belgium, the amount due by the WTT is 1 * €2,000 = €2,000.

<u>Total compensation payable by the UCI WorldTeam</u>: €8,000 (Belgian National Federation) + €2,000 (British National Federation) = €10,000.

<u>Issuance of the invoice:</u> The Belgian National Federation will issue an invoice for the first three years and the last year (6.000€ + 2.000€ = 8.000€).

The British National Federation issues an invoice for the year spent in the UCI Continental Team registered in its country (€2,000).

<u>Redistribution to clubs and UCI Continental Teams</u>: Once the National Federations have received the compensation, they must redistribute the amounts pro-rata temporis to the clubs and/or UCI Continental Teams where the rider has been registered.

Example 6: Calculation of the compensation due pro-rata temporis.

<u>Situation:</u> A rider takes out his first licence at the age of 15, with a club in August. He signs his first new-professional contract with a UCI ProTeam at the age of 19.

<u>Training compensation fee</u>: 5 months for the year in which the rider turns 15, then 3 years from the age of 16 to 18.

Calculation:

For the year in which the rider turns 15: 1000€/12 = 83,34€ 83.34*5 (August to December) = €416.7

For the following 3 years: 3*1000€ = 3000€

Total amount: 3000 + 416,7 = 3416,7€

The National Federation issues an invoice for €3416.7 to the UCI ProTeam that has registered the rider. The team pays the National Federation directly, which then redistributes the amount to the concerned club teams.