

League of Legends Esports - EMEA Player Loan Policy

1. Background and Purpose

- a. The loan of a Player from one team entity to another team entity can benefit both teams and Players and helps to improve the overall health of a league's competitive ecosystem. For example, less experienced Players who are loaned to another team can get more play time. It can also enable a trial period to assess a Player's potential or suitability for the receiving team, and facilitate Player movement from lower to higher tier leagues. Finally, Players who are sitting on the bench can lose their skills and enthusiasm for the game, which results in a loss of value to teams. Loaning these Players keeps them active and can maintain or increase their market value.

2. Definitions

- a. **Loan Agreement.** A written agreement that documents a Player loan transaction.
- b. **Loan Period.** The fixed duration for which a Loaning Team temporarily transfers an eligible Player to another eligible team.
- c. **Loaned Player.** An eligible Player on a temporary transfer from an eligible Loaning Team to an eligible Loan-receiving Team for a fixed period of time.
- d. **Loaning Team.** A team that temporarily transfers or loans out a Player from its official roster to another team for a specific period of time.
- e. **Off-seasons.** The following periods only for the purpose of the loan policy:
 - i. The period between the completion of Split 1 of the Receiving Team until the start date of Split 2 of the Receiving Team
 - ii. (Only for the LEC): the period between the completion of Split 2 of the Receiving Team until the start date of Split 3 of the Receiving Team
 - iii. The period between the Global Free Agency Date(s) until the start of Split 1 of the Receiving Team the next year.
- f. **Player Loan.** The temporary transfer of an eligible Player from the registered roster of one eligible team to the registered roster of another eligible team for a fixed period of time.
- g. **Receiving Team.** The eligible team that loans in (receives) an eligible Player from a Loaning Team for a fixed period of time.
- h. **Season.** The period between two (2) consecutive Global Free Agency Dates.

3. Eligible Players for Loans

- a. Teams can only loan out Players who are on their official roster, described as being listed in the Global Contract Database (GCD).
- b. However, a Player cannot be loaned immediately after joining a Team until the end of the upcoming Split. If the Players are signed in the first half of the Split, meaning they are signed before the end of the Regular Season, they can be loaned after the current Split ends; if they are signed in the second half of the Split, meaning they are signed after the end of the Regular Season, they can only be loaned after the next Split ends. This rule does not apply to the registered Players who are under the age of 18, defined as having lived 18 full years.
- c. A Loaned Player, whilst being on the official team roster, cannot be loaned or traded from the Receiving Team to another team again during the Loan Period (this is considered a “**Sub-loan**”).
- d. If a Player has been loaned for two (2) Seasons (4 Splits for ERLs, or 6 Splits for LEC) in any league consecutively, the Player will enter into a one Split cooldown period in which the Player cannot be loaned.
- e. Loaned Players must satisfy local Player eligibility requirements in the jurisdiction where the Receiving Team operates in order to be registered. For the avoidance of doubt, these are the same requirements that apply to all other Players competing in that league.

4. Loan Parties Restrictions

- a. All cross-regional loans of Players are prohibited. Loans in which the Loaning Team and the Receiving Team are in different regional Leagues are considered cross-regional and therefore prohibited if either League has access to one or more slots in international events (i.e. MSI or Worlds).
- b. Loans within the same tier are prohibited. Teams can only engage with cross-tier loans within their own region. Loans can happen from the professional League (“**Tier 1**”) to its associated regional league(s) (“**Tier 2**”), or the other way around.
 - i. All Players registered to an LEC Team are treated as Tier 1 Players, and therefore cannot be loaned to other LEC Teams regardless of which roster they competed in for the Loaning Team.
- c. Loans are only allowed between an LEC Team and an ERL Team that is registered in the Global Contract Database (“**GCD**”). Single loan agreements that involve more than 2 teams (such as 3-way loans under the same loan agreement) are prohibited.

- d. An LEC Team that operates an ERL Roster is prohibited from loaning Players to and from the ERL they are competing in.
 - i. For example, if an LEC organisation has an ERL Roster competing in Superliga, they will not be allowed to loan Players to and from another Superliga Team.

5. Loan Slots

- a. A team can have a maximum of two (2) Players loaned in AND out at any given time. The team cannot loan in/out additional Players until one of the loan agreements expires or is terminated. The following scenarios are allowed:
 - i. The Loaning Team loans 2 Players out to other teams.
 - ii. The Receiving Team loans 2 Players in from other teams.
 - iii. A team loans 1 Player in and 1 Player out.
 - iv. A team only loans 1 Player in or out. They still have 1 loan slot left for another loan in or out.
- b. A team cannot loan 2 of their Players to the same team, or similarly receive 2 Loaned Players from the same team.
- c. A Player can only be loaned to the same Team for a maximum of one Season consecutively. If a Player has been loaned to a Team for one Season, the Loaned Player cannot be loaned to the same Team again until the end of the next Split. For the avoidance of doubt, the Loaned Player may still be loaned to another eligible Team in the next Split. For the purposes of this rule, the relevant start and end dates to be considered correspond to the league of the Receiving Team.
 - i. For example, if the loan agreement between Team A (loaning) and Team B (receiving) for Player X ends on Sept 10th, 2023:
 - 1. If Team B is an LEC Team and Team A is an ERL Team, Team A cannot enter into a loan agreement with Team B again for Player X until the end of the LEC Winter Split in 2024.
 - 2. If Team B is an ERL Team and Team A is an LEC Team, Team A cannot enter into a loan agreement with Team B again for Player X until the end of the ERL Spring Split in 2024.
- d. The Loaned Player will take up roster slots of both the Loaning Team and Receiving Team. The Loaned Player will be considered inactive in the Loaning Team roster and active in the Receiving Team roster. The Loaned Player should be marked as “Loaned Player” in the roster of the Receiving Team in the GCD.
- e. For clarification, an LEC organisation's LEC and ERL Rosters will count together as one Team, meaning that they will **not** be able to loan a total of 4 players.

6. Loan Window and Duration

- a. The League Entity will only accept loan applications during the Off-seasons (as defined in section 2). Loan applications outside of the Off-seasons are prohibited and will not be processed.
- b. The maximum length of a loan agreement is one Season, and the minimum length is one Split. The length of the loan agreement must extend through the end of the Split of the Receiving Team, including until the end of the upcoming international event if the Receiving Team is qualified.
 - i. To further clarify, a loan agreement has to start AND end during the Off-seasons of the Receiving Team, while it can also end before the Global Free Agency but after the Team has completed all local and international matches of that Season. Examples:
 1. Allowed: Starts in November after the Global Free Agency Date, and ends in May after local split 1, OR ends in November before/on the next Global Free Agency Date;
 2. Allowed: Starts in May after the completion of ERL Split 1 but before the start of ERL Split 2, ends in November before/on the upcoming Global Free Agency Date;
 3. Disallowed: Starts in March where the LEC Split 2 is still going on;
 4. Disallowed: Ends in July where the ERL Split 2 (or LEC Split 3) is still going on.
 5. For avoidance of doubt, Receiving Team's Split dates will be taken into consideration for the purposes of this rule.
- c. Loan extension is allowed provided that the total loan duration does not exceed the maximum length requirement. Discussion of loan extension can happen anytime during the Loan Period, but the extension application will only be accepted during Off-seasons.
- d. The Loaned Player cannot be called back to the Loaning Team during a single split, unless otherwise agreed by the League Entity in its absolute discretion (subject to such conditions as the League Entity deems appropriate) with the prior consent of the Loaning Team, Receiving Team and Loaned Player. Callback will only be permitted in extreme circumstances such as the Loaning Team not being able to fulfil the roster requirement due to uncontrollable situations.

7. Requirements on Loan Agreements

a. All Player Loan transactions must be documented with a written Loan Agreement. The League Entity has created a template agreement that can be used by Teams and Players for this purpose, as well as a Loan Agreement Summary Sheet. Use of the League Entity's template agreement is entirely optional, and Teams are only required to submit the Loan Agreement Summary Sheet to the League. However, all Loan Agreements must specify with clarity the rights and obligations of the Loaning Team, Receiving Team, and the Loaned Player. Each Loan Agreement must, at a minimum, include terms that define the loan duration, financial arrangements, termination conditions and other terms that are required by the League and/or local legal regulations. To be more specific:

i. Loan Duration

1. The Loan Agreement must explicitly state the start and end date of the loan. The duration of a Player Loan cannot extend beyond the Loaned Player's contract length with the Loaning Team.
2. After the Loan Period, the Loaned Player will continue the original Player Services Agreement ("**Player Agreement**") with the Loaning Team. The original agreement with the Loaning Team cannot be automatically extended due to a Player Loan.

ii. Financial Arrangements

1. The Loaning Team, Receiving Team and the Loaned Player are free to set the financial terms associated with a Player Loan, provided that (a) the conflict of interest rules (discussed below) are observed, and (b) all of the financial terms are included in the text of the Loan Agreement and not in separate side letters or other documents.
2. There is no restriction on which Team (the Loaning Team or the Receiving Team) pays the salary of the Loaned Player during the Loan Period, provided that conflict of interest rules are observed. The Player's salary can be paid entirely by the Loaning Team or Receiving Team, or the two teams can agree to split payments with a percentage of the total salary paid by each team. However, the payer information must be submitted with the Player registration documents required by the League Entity.
3. If the Loaned Player is bought out during a Loan Period, the payment obligation for the then-remaining portion of the Player Loan should be specified in the new Player Agreement.

4. Arrangements relating to the payment of prize money and revenue share for the Loaned Player should be specified in the Loan Agreement, including how the revenue will be allocated and the deadlines for any payments.
- iii. Player Consent
 1. The Loaning Team is always responsible for ensuring that Player consent is obtained prior to the Player Loan transaction.
 2. The Player Agreement between the Loaned Player and Loaning Team may not be changed due to a Player Loan without the Player's written consent obtained in advance of the loan.
 3. Players are always free to negotiate "no loan" provisions in their original Player Agreement.
 - iv. Compliance with Law
 1. The Loaning Team is responsible for ensuring that the Player Loan (and the Loan Agreement used to document the loan) complies with all applicable laws, regulations, and legal obligations.
 - b. The Loan Agreement Summary Sheet, as well as any amendments or modifications to existing Loan Agreements, are subject to approval by the League. The League will collect, review and approve the Loan Agreement Summary Sheet to ensure that: (a) the obligations of the parties are clearly stated; (b) Player rights are respected; (c) Player consent is obtained; and (d) the rules for Player Loans in this Policy are uniformly observed.
 - c. During the Loan Period, the contractual obligations under the Player Agreement between the Loaned Player and the Loaning Team shall be suspended, but will be resumed when the Loaned Player returns to the Loaning Team. Loaned Players cannot represent the Loaning Team in any sense for the duration of the loan.

8. Conflicts of Interest and Protection of Competitive Integrity

- a. Particular care should be taken to avoid conflicts of interest in circumstances where the Loaning Team manages the personal sponsorships, streaming arrangements or other related business opportunities of the Loaned Player. In those situations, these management rights should either be suspended entirely during the Loan Period or temporarily transferred to the Receiving Team for the duration of the Loan Period. All of these arrangements should be clearly outlined in the text of the Loan Agreement.
- b. The Loaning Team is responsible for avoiding conflicts of interest. Conflicts of interest and other behaviours that violate the competitive integrity of the sport are subject to disciplinary measures designed to protect competition in the League, including but not limited to fines, suspensions and other competitive sanctions.

- c. In some cases, the parties to a Loan Agreement may want to include an option for the Receiving Team to purchase the Player Agreement of the Loaned Player outright at the end of the Loan Period for a pre-agreed fee. These types of “options to purchase” are not prohibited if (a) player consent to the transaction has been obtained; (b) the option is clearly stated in the text of the Loan Agreement and not in a side letter or other document; (c) the grant of the option and its exercise by the Receiving Team complies with applicable law; and (d) all other rules relating to Player movement have been observed.