

**THE LEGAL NATURE OF THE TEMPORARY LOAN CONTRACT OF AN  
ATHLETE: A POINT OF INTERSECTION BETWEEN CIVIL LAW AND LABOR  
LAW**

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**Annotation**

The article analyzes the legal issues related to the regulation of temporary loan agreements for professional athletes under the legislation of the Republic of Uzbekistan. The study examines the legal acts governing these relations, as well as the contractual conditions agreed upon by the parties when a professional athlete is loaned to another sports organization. It is emphasized that the loan agreement of an athlete, similar to a transfer agreement, has a complex legal nature, combining elements of both civil law and labor law.

**Keywords:** sport, sports relations, sports contract, loan of an athlete, national legislation.

In Uzbekistan, the reform and development of physical culture and sports constitute one of the priority directions of state policy. In his Address to the Oliy Majlis on 20 December 2022, President Shavkat Mirziyoyev emphasized the necessity of engaging all segments of the population in mass sports, promoting a healthy lifestyle, and further improving the sports infrastructure. In the context of the growing economic significance of professional sports, the expansion of the transfer market has considerably increased the demand for the temporary loan (lease) of athletes. This mechanism plays a crucial role in developing young athletes, maintaining the tactical balance of sports teams, and ensuring the financial sustainability of sports clubs.

In recent years, the economic importance of professional sports particularly football, basketball, hockey, and volleyball has continued to rise. Along with the expansion of the sports transfer market, the temporary loan of athletes has evolved into a vital tactical and economic instrument for sports clubs. Factors such as the development of young talent, financial stability, and team tactical optimization have contributed to the widespread application of loan agreements in practice. At the same time, this institution possesses a highly complex legal structure. The temporary loan contract incorporates elements characteristic of classical civil-law agreements while simultaneously reflecting the distinctive features of labor contracts. In this regard, the athlete appears both as a “subject of labor relations” and as an “object of service utilization” between sports clubs.



The purpose of this article is to analyze the legal nature of the temporary loan contract of an athlete from the perspectives of civil law and labor law and to substantiate its hybrid character on a scientific basis. The institution of the temporary loan of athletes occupies a special place in the system of professional sports law. Formed as an integral component of the transfer market, it functions by enabling an athlete to move from one club to another for a specified period. This institution emerges at the intersection of civil law, labor law, and international sports regulations, and is characterized by unique legal features inherent to the nature of professional sports relations.

Article 503 of the current Labour Code of the Republic of Uzbekistan establishes the specific features of the legal regulation of the labour of professional athletes and functions as a special norm that reflects the peculiar nature of sports labour and the dynamic structure of an athlete's employment relationship. In particular, according to paragraph 6 of this article, if the employing sports organization is unable to ensure the athlete's participation in sports competitions, the athlete may be temporarily transferred to another employer. Such a transfer is permissible only on the basis of an agreement between the employers and with the athlete's written consent, and it may not exceed a period of one year.

During the period of temporary transfer, the receiving organization must conclude a fixed-term employment contract with the athlete for the corresponding duration, taking into account the requirements stipulated in paragraph 3 of the same article. This reflects the specific, dynamic and time-sensitive nature of employment contracts concluded with professional athletes.

Nevertheless, Professor E. Musayev draws attention to a significant gap in the current national legislation. He notes that although the new edition of the Labour Code, in force since April 2023, has created a legal basis for the temporary transfer of an athlete from one employer to another, it does not regulate the relations of "leasing" or "transfer" of an athlete as a distinct legal institution. According to the author, this indicates that the existing legal framework does not fully correspond to the modern relations of the sports industry, particularly in matters concerning financial and hierarchical relations between clubs, thereby creating legal inconsistencies in the regulation of loan or transfer agreements.

A similar view is shared by a number of other scholars. For example, the Russian researcher Yu.A. Borisenko argues that the temporary movement of athletes and the institution of athletic loans arise from a "legal vacuum" located between civil law and labour law, given the absence of comprehensive legal mechanisms governing these relations. He emphasizes that, at present, transfer and loan relations operate mainly on the basis of sports federation regulations, yet such an approach does not elevate these rules to the level of binding state legislation. According to



Borisenko, this situation leads to insufficient legal stability in the relationships between sports organizations, football leagues and clubs, and creates variability in the interpretation of loan agreements.

Another international scholar, M. Backhaus, likewise points to the insufficiency of legal regulation in matters of athlete transfers and loans. In his view, although the loan system in European football is of great economic importance, state legislation still lacks adequate provisions defining its legal nature and the obligations of the parties. Backhaus notes that because loan relations involve significant financial flows between clubs, relying solely on the internal rules of sports federations increases the legal risks faced by the parties.

According to G. Prendergast's 2022 study, young athletes who temporarily move to another club on loan develop faster than those who remain in the permanent squad, as they gain regular playing practice. This indicates that the loan system has a direct positive impact on the professional development of athletes.

The scholarly conclusions of researchers such as E. Musayev, Yu.A. Borisenko, M. Backhaus, N. Günter and others likewise confirm that the institution of athlete loans is evolving within a "legal vacuum," given that its legal nature, the rights and obligations of the parties, and its financial mechanisms are not adequately defined at the level of state legislation. Therefore, regulating athlete loans solely on the basis of federation rules cannot ensure full legal stability, predictability, or legal certainty for investors.

In our view, the issues of legally regulating the transfer of athletes from one sports organization to another, as well as their temporary loan on the basis of a contract, have acquired particular relevance today. Until recently, national legislation did not contain clear, systematic rules governing the movement of athletes from one sports organization to another. Moreover, existing normative acts do not recognize the concept of "loaning an athlete" as a legal category.

The procedure for transferring an athlete and the conditions under which such a transfer may occur are susceptible to varying interpretations in practice, making their legal clarification difficult. As is well known, if at least one essential term of a contract is not agreed upon, the contract is not considered concluded (Article 364, Part 1 of the Civil Code of the Republic of Uzbekistan). However, the Law "On Physical Culture and Sports" does not specify the extent to which the terms of an athlete's transfer must be agreed upon, nor does it provide clear criteria for determining when such terms may be considered agreed. Legal relations pertaining to the temporary loan of football players are regulated by the norms of national legislation as well as by the internal regulatory documents of relevant sports federations and professional leagues. In



practice, when such transfers are carried out, a tripartite “loan agreement” is usually concluded involving the borrowing club, the lending club, and the athlete himself.

The loan agreement typically sets out the legal grounds for the temporary transfer of a football player, as well as the procedure for carrying out the athlete’s professional activities within the structure of the new club. The arrangement concluded between the clubs is generally shaped in accordance with the financial interests of the parties. The rights and obligations of each party are clearly articulated in the contract, and one of the most important provisions concerns the mechanism for the remuneration of the athlete. In most cases, the obligation to pay the player’s salary is assigned to the borrowing club. At the same time, as is widely observed in international practice, the player’s salary may be paid either in full or in part by his parent (owning) club. This commonly occurs when prestigious clubs loan out young players or athletes who have not yet gained sufficient playing experience.

Thus, the institution of the loaning of football players represents an integrated framework in which elements of civil law and labour law are combined, and the dispositive norms of both branches are applied jointly within the content of the contract. One of the key features of the temporary loan agreement is that it may include various provisions derived from sports practice provided these do not contradict existing legislation. These may be formulated as dispositive clauses reflecting the specific nature of professional sports.

In contemporary sports law doctrine, many scholars classify temporary loan agreements for football players as civil-law contracts in terms of their legal nature. This position is supported by strong legal arguments. First, as a result of the loan arrangement, the employer with whom the athlete’s employment contract is concluded effectively changes. Such a circumstance contradicts the professional-legal essence of labour relations and does not correspond to the “temporary transfer to another employer” institution defined under Article 503 of the Labour Code. This norm envisages the temporary performance of another function by the employee, but does not allow for a change of employer.

Second, the legal interpretation of the subject matter of the loan agreement clearly demonstrates its civil-law character. Researchers in the field of sports law describe the object of such an agreement as the temporary transfer of the proprietary rights of the lending club to use the athlete’s services—particularly his participation in competitions on behalf of the borrowing club—for a specific period. Therefore, the object of the agreement is not the athlete’s personal labour activity, but rather the right of the lending club to allow another club to use the athlete’s services. This is a classical characteristic of obligations arising from civil-law contracts. Accordingly,



evaluating athlete loan arrangements within the framework of civil-law obligations rather than labour relations is theoretically and practically more appropriate.

As for the restriction of the player's rights under a loan agreement, certain contractual mechanisms may be considered legally justified, proportionate, and compatible with the athlete's labour freedom, provided they reasonably reflect the specific nature of professional sports practice.

Based on the above principles, it can be concluded that the temporary loan agreement of an athlete represents a complex and multi-layered legal construct. Such an agreement operates in a unique legal environment where the norms of civil law, labour law, and sports law intersect simultaneously. Its hybrid nature arises primarily from the fact that its subject matter concerns the professional activity, movement, and temporary performance of a professional athlete. Therefore, unlike ordinary civil-law contracts, transfer agreements incorporate an interconnection between proprietary (property-related) rights and the labour-law status of the athlete.

At the same time, this contractual institution is not yet fully or comprehensively regulated within the legal framework of Uzbekistan. Current legislation does not explicitly define the legal mechanisms governing the movement of athletes, their temporary loan, or transfer relations, which in practice leads to divergent interpretations and legal gaps.

Although Article 503 of the Labour Code of the Republic of Uzbekistan sets out the specific features of athletes' labour, it does not regulate issues such as the temporary movement of an athlete from one club to another, the payment of loan fees, recall mechanisms, or compensation arrangements. Similarly, neither the Civil Code nor the Law "On Physical Culture and Sports" contains norms defining the legal nature of athlete loan or transfer agreements. In practice, the temporary transfer of professional athletes is regulated almost exclusively by the internal regulations of sports federations, leagues, and national sports associations. As a result, these internal documents bear an excessive regulatory burden, while state legislation remains peripheral in addressing these matters.

The analysis conducted allows the formulation of the following academic conclusions:

Professional sports rely heavily on civil-law contracts, which serve as essential mechanisms for ensuring economic stability in the sports industry, transparency in relations among stakeholders, and adherence to principles of contractual autonomy. The contract concluded with an athlete has a hybrid legal nature, combining features of both labour relations and civil-law obligations, thereby forming a distinct complex legal structure.

The practice of several foreign jurisdictions (Brazil, Argentina, Russia, and others) recognizes the permissibility of including civil-law clauses within an athlete's employment



contract. However, in resolving disputes arising from such contracts, the true legal nature of the agreement must be assessed, and the appropriate governing legal fieldlabour law or civil law must be clearly identified.

The development of contemporary models of contractual liability in professional sports, as well as the establishment of an integrated institutional system for resolving disputes both pre-judicial and extra-judicialis of particular importance. Such development would contribute to strengthening the legal stability of the sports industry and creating a reliable legal environment for investors.

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