

Assessment Fees: Do you have to pay?

By Shane Henry and Steven Teal Sport Solution Managers



Can National Sport Organizations (NSO) and Multi-Sport Organizations (MSO) charge athletes an annual fee? There is no rule in Canadian sport that prevents them from doing so. In fact, many NSOs and MSOs would not be able to operate if they did not generate funds by charging fees.

But can they charge a fee if it is not outlined in a written athlete agreement? In this case, various factors need to be considered. The parole evidence rule in Canadian contract law allows courts to look beyond a written contract to interpret what the intentions were at the time of signing. The rule is complicated, so it is best explained through the following scenarios.

Scenario 1: Requiring that an athlete pay fees does not directly contradict the written document.

Result: The court will try to determine the intention of the parties at the time of signing. The court would analyze various factors, including but not limited to the following; 1. whether the athlete was aware of the fee requirement before signing the contract or before starting the season, 2. whether it was past practice for the NSO or MSO to charge a fee (where it is past practice, the court would likely be more willing to accept that charging an athlete a fee is acceptable), 3. whether the fee is reasonable given all the circumstances, and 4. factors specific to the case at hand.

Scenario 2: A clause in the contract states that no fees are charged.

Result: An NSO or MSO will have a difficult time convincing a court to accept a contradictory representation.

Scenario 3: A clause in the contract states that the signed agreement represents all details of the contract.

Result: It will be difficult for an NSO or MSO to convince a court that the athlete must pay annual fees (that are not outlined in the contract).

Scenario 4: An NSO or MSO requires an athlete to pay fees halfway through a season because of financial difficulties, even though there was no prior notice and no fee requirements in the contract.

Result: While the NSO or MSO may not legally enforce the fee, the athlete would be advised to assess the whole scenario. If the athlete does not pay the fees and the financial difficulties lead to reduced ability to provide services, the athlete is the one who loses out. In this scenario, it is important to get more information from the NSO or MSO.

For more information, athletes may phone 1-888-434-8883 to receive free confidential advice. You can also reach the Sport Solution by fax at 1-519-661-3886 or by email at law.sportsolution@uwo.ca.

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