

To: FEI

Attention: John P.Roche

By mail

Re: CSI/CSIO Requirements

Dear John,

Regarding your request to harmonise the current CSI/CSIO requirements worldwide, as covered under Annex VI of the FEI Jumping Rules, please find the IJRC's thoughts, below.

1. HARMONIZATION

- In our view, harmonising two vastly different realities (Europe and USA) is not possible, for the following reasons:
- a. The fabric of European society is different from that of the USA: in Europe there is a breeding world, an agricultural and rural horse world;
- b. In Europe, the middle classes practise and are involved in our sport: we have numerous great champions and talents who, at least for now, come from middle-income families. Additionally, we don't have as many sponsors or costumers who invest in and bear the costs as the USA Sponsors like the which one of the American riders. In Europe we have some rich people, but not a lot of billionaire that are ready to invest like in the States and to pay all the costs to take part to the shows. In Europe the most of the athletes pay their entry fees.

If the American riders do not have a positive view of the American System; as is too expensive, we will support NARG in its efforts to change and improve the system in North America.

- c. For a number of years, we have heard comments that the FEI is too "Eurocentric". Globalization has been the buzz word over the past decade. However, the crude reality is that 75% of the riders are from Europe and over 60% of the competitions are held here. Maybe some people need to accept facts and reality. We know that an international organization needs to be as global as possible and that a worldwide TV audience is necessary. We also require the world as a hunting ground in order to succeed in many of our goals i.e. the Olympic Games. Governance decisions can be reached by a wide consensus. However, when we talk about sporting decisions and committees the weight should reside where the sport IS. At the moment, according to cold facts and numbers, that place is Europe.
- d. In the rest of the world almost all the shows have adopted the same concepts as in Europe, with the sole exceptions of the US and Canada. These two countries have a system that works for them, but that is philosophically opposed to the European system. We fully understand that this thing may present a problem for them, particularly for the organizers, due to the fact that the sport is conceived under other basis, completely different from ours. According to the USA, harmonization could be difficult for a lot of their shows and their industry if not approached this way. However, why should a vast majority adopt the system of a minority in order to solve problems which only the minority feels?
- e. Equestrian sport start in Europe, it took more than one hundred year to achieve this result. We need to protect our tradition, our middle class owners, our breeders and farmers that own young horses. We need to protect our coming up athletes and talents.
- f. In Europe we need to create a link between Top sport, European development and breeding. With such increase of the cost we think we will create a big fracture.

2). CSI REQUIREMENTS: HISTORY

Sorry to take up more of your precious time. Please accept our apologies in advance. However, we need to take a few steps back.

The CSI requirement is the fruit of negotiations between the organisers of the FEI/IJRC over seven years (as John Roche will confirm). Together we have worked extremely hard because in the 1990's, chaos reigned.

It was agreed that the entry fees would be 'all inclusive' (TVA, stable, parking, etc) and that no other kind of extra- fee would be permitted.

Fees were anchored to a packet of requirements, as is usual for prize money in Swiss Francs.

It was also agreed that 5* contests should not require entry fees, since as in other sports, the top riders provide entertainment for members of the public who pay for tickets. For the same reason. 4* GP riders have the right to have hotel costs paid by the OC.

Yet professional sportspeople in other fields receive engagement fees; they do not pay to take part in events.

It was agreed that young competitors should be protected with the 'law all inclusive' entry fee, as should the competitions for YH (Young Horses) since 50% of young horses in nations such as the Netherlands, Belgium and Germany were owned by trainers or loaned to upcoming riders.

The agreement also protected Junior and YR (Young Riders) competition events.

It was a period in which top riders received competition engagement fees of around 20,000 CHF or DM.

In 1999, it was decided that the IJRC would guarantee that no top rider would ask for engagement fees, but that no organisers, in return, would request Pay Cards. (Zurich meeting between IJRC, World Cup Organizers and FEI, 1999.) The club also agreed to guarantee the presence of six of the Top 10 riders at every stage of the World Cup (with the exception of Malin which unfortunately clashes with Christmas).

In 2011, given the high exchange rate for the Swiss Franc, the organisers requested that future PM should be anchored, instead, to the Euro.

It was eventually decided to fix a 'conversion rate' of 1.41, which it was accepted by IJRC against its wishes, as the correct conversion rate were different and was a big disadvantage for the riders.

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(May 2011: 1.2540;
January 2012: 1.2111;
January 2013: 1.2280)
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In the past the Swiss Franc was weaker -- yet it was always the riders who paid the price.

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(2006: 1.6059;
2007: 1.6571;
2008: 1.4873;
2009: 1.4844;)
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3) EXTRA FEE

Extra fees were not permitted under the CSI Requirement agreement.

However, electricity costs at 100 euro per lorry were introduced a couple of years ago, along with manure costs at 40 Euro per horse, and, in some cases, parking costs of up to 250 Euro.

Two years ago the entry fees were increased from 350 Euro to 410 Euro, excluding VAT.

All these changes were made without the riders' consent.

While companies registered for VAT are able to reclaim the additional 20% tax, today European legislation only allows companies who have business within the equestrian world to recover it. For most young participants, for amateur and non-professional riders, this amounts to a further increase of 20% on top of the fee.

3). <u>INCREASE OF THE ENTRY FEE</u>

The increase of the entry fee and of the costs, which are already expensive for Central and Southern Europe, will become unaffordable for the whole of Eastern Europe, where the sport is currently undergoing promising development

POSSIBLE FUTURE SCENARIOS IN CASE OF HARMONIZATION

- The gap between top and "normal" riders will become too big.
- Increasing the costs means killing our sport. Young riders, young horses, small owners and breeders will all suffer exponentially;
- Some riders will be forced to no longer compete and the FEI will receive fewer registration fees;
- It will be too expensive to train young horses and upcoming riders (what about the youth policy?);

CONCLUSIONS

- The proposal of the FEI Jumping Committee sent to us and the NFs (date December 2016), fails to match European needs.
- Organizers proposal: The organizers' proposal to postpone the "Invitation system" by four years it is also unacceptable. This is because it is supported by the organizers of CSI 2 * and 3 *, which take place on the same days as a 5*, which are only open to expensive wild card.

In such cases, it would be more constructive to leave a part of total market free for amateur sport, allowing those who wish to have fun to compete in low level competitions, impeccably organized in a 5 * arena.

The 2* and 3 * luxury classes, open only to those who can pay, must not have ranking points.

-The European Federation's letter and proposal are of great interest, especially as regards the Nations Cup.

In our opinion, with all the respect, and appreciation of the job done all over the years, the FEI Jumping Committee, because of his structure, has underestimated the historical, cultural, financial and sporting differences that exist between Europe and North America.

We believe a substantial rethink of the problem is required and the IJRC is ready to engage in constructive collaboration in order to find a solution agreeable to all.

Kind regards

On behalf of the IJRC

Eleonora Moroni Ottaviani, IJRC Director