

To the members of the FIDE Executive Board

betreft	kenmerk	datum
Proposals Events Commission	11/AZaz/1102/JB	21 September 2011

Dear Mr. President, dear Board Members,

It is with great concern that we have taken note of the proposals of the Events Commission for the Executive Board Meeting in Krakow. We feel that the interests of both chess players and chess organizers will be severely harmed if these proposal were to be accepted. And what is more we think that these proposals are a direct threat to the FIDE rating system – a system that is one of the great success stories of FIDE.

Some years ago the expansion of the FIDE rating system to a larger group of players was discussed in the FIDE Congress. At the time, the Presidential Board assured the delegates that the expansion of the rating system would not lead to higher costs for federations or players. Accepting the proposals of the Events Commission to the Executive Board in Krakow would mean a drastic breach of promise. Studying the proposals it becomes obvious that the tariffs are raised dramatically.

Curiously, the proposals lack any explanation on the necessity of these plans. The income and expenses of FIDE in 2010 were balanced, the administrative costs of the rating process are within the limits of the budget and the proposals do not include a higher standard of service. Indeed, a general philosophy behind the plans is lacking, and, while the present financial situation of FIDE seems healthy enough, there are no reasons given for the excessive increase in tariffs.

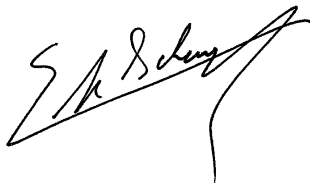
Please see the attachment for a detailed explanation of the consequences of the proposals.

In conclusion, we would like to summarize:

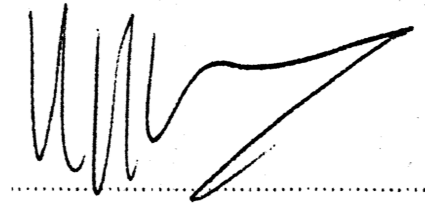
- The proposals will raise the costs for players, organizers and federations excessively.
- The proposals lack any explanation regarding the necessity of these substantial raises in tariffs. Indeed, no coherent vision is presented.
- The proposals will not bring the 'customers' a higher standard of service. The product remains the same, but the prices are multiplied with a factor 2 or 3.
- The proposals will lead to more bureaucracy and administrative complications; money will have to be transferred back and forth between players, FIDE and national federations.
- The proposals will erode the FIDE rating system, since many tournaments that are now rated will drop out for financial reasons. Likewise, many chess players will not buy a license and will not be rated in the future.

In the interest of the global chess community, we call on the members of the Executive Board of FIDE to turn down these proposals of the Events Commission in the meeting in Krakow.

Yours sincerely,
ROYAL DUTCH CHESS FEDERATION (KNSB)



Eddy Schuyer
President KNSB



Herman Hamers
FIDE Delegate KNSB

bijlagen:
cc: European Chess Union

Discussion of the proposals of the Events Commission

Unfortunately, the proposals contain no comparisons between the costs of the present situation and the proposed situation. When we do make these comparisons, the following substantial raises come to light:

Proposal to charge title fees directly to title holders – annex 33P (amounts in euro)

Title	Amount now	Amount proposed	Adm. Cost	Disbursed	Net amount	Raise in %
Grandmaster	330	500	100	200	400	21
Int. Master	165	300	100	120	280	70
FIDE Master	70	200	100	80	220	214
Cand. Master	50	100	100	40	160	220
Int. Arbiter	100	300	100	120	280	180
FIDE Arbiter	50	200	100	80	220	340

Please note that it is the national federations which are disbursed, while the title fees have to be paid directly by the players and arbiters. So, if federations do not, in turn, disburse their members then the increase is even more disproportionate.

The administration costs can be raised to € 150 when the application is received after the deadline and to € 200 if the application is submitted after the commencement of the Meeting/Congress. These amounts have to be paid by the title holders, but their application has to be checked by the federation and the fee must be refunded through the federation. In the proposal no reasons are given why an increase of hundreds of per cents are proposed, and, indeed acceptable.

Regulations on registration and licensing of players – annex 33D (amounts in euro)

Costs for player	Now	Proposed
Registration fee	0	10
License fee for 1 year	0	30
License fee for life	0	500

It is obvious that many chess players will not be willing to pay these license fees. However, if an organizer inadvertently accepts a player without a valid license, the organizer shall be penalized € 50 for every infringement. As a consequence many chess players will not be rated any longer, and many organizers will prefer not to have their events rated.

Every year 40% of this amount will be refunded to the federations; federations which require financial assistance receive a larger refund. FIDE takes over the administrative work that national federations are doing now in registering their players, but for a substantially higher amount.

Proposal to charge rating fees directly to the organizers – annex 33O (amounts in euro)

Type of time control	Registration	Swiss system	Other – per section/category/group
Normal	100	7	300
Rapid	100	4	200
Blitz	100	2	100

For a late Rating Report at any stage, a surcharge of 50% shall be levied.

The cost now is € 1 per player in a Swiss tournament. So the charges are raised sevenfold! Again any explanation is lacking.

For groups there is at the moment a price (in euro) per category for registration fees.

Category 0 to 3	50
Category 4 to 7	100
Category 8 to 10	150
Category 11 to 14	200
Category 15+	300

Also in the rating procedure the costs are raised enormously. 40% of the rating fees will be disbursed to the federations. This does not change the cost explosion and will only lead to more administrative red tape.

On top of this all the treasurer proposes to remove the ceiling on tournament fees, which now stands at € 15.000. **See annex 5**. The costs for reporting tournaments in active countries will thus rise sky-high. Again it is obvious that many tournament organizers will no longer report their tournaments to FIDE. This in turn means a serious erosion of the FIDE rating system.

Regulations on seminars and title award for organizers – annex 33C

The proposal is that a tournament can only be reported by an International Organizer (IO). The costs for the IO's will according to the proposals be raised (amounts in euro). It is questionable whether organizers will be willing to pay these fees to FIDE.

Costs IO	Now	Proposal
Seminar (once)	-	250
Title fee (once)	100	150
License fee (every 4 years)	-	100