



CHANGES TO THE RULES OF **AMATEUR STATUS**



Golf
Australia

WPGA TOUR
AUSTRALASIA

PGA
AUSTRALIA

THE CHANGES

Golf's international governing bodies, the R&A and the United States Golf Association, have published a series of changes to the Rules of Amateur Status. The updated Rules will take effect worldwide on 1 January 2022. The new Rules were informed by golfer and golf industry feedback as part of a comprehensive review to ensure they continue to reflect how the modern game is played by millions of golfers around the world.

This work is the latest step by the governing bodies to make the Rules easier to understand and apply and follows the modernisation process of the Rules of Golf in 2019, and the launch of the World Handicap System in 2020.

This review, along with the global feedback received when the draft proposals were publicly shared in early 2021, reaffirmed amateur golf's important position in the game and the value in maintaining amateur status Rules.

The result is a set of Rules that remove many of the restrictions that previously applied to amateur golfers, while ensuring the integrity of the game is protected by limiting the form and value of the prizes an amateur golfer can accept.

As part of the modernisation effort, the new Rules identify that only the following acts will result in a golfer losing their amateur status:

- Accepting a prize with a value exceeding the limit of AU\$1,350.
- Playing as a professional.
- Accepting payment for giving instruction (although exceptions still apply, such as coaching at educational institutions and assisting with approved programmes).
- Accepting employment as a golf club professional or membership of an association of professional golfers. (Note: Membership of a Tour does not of itself result in a breach of the Amateur Status Rules, provided the player joins as an amateur and provided the Tour permits amateur members. However, once a player is member, they would forfeit their amateur status if they decide to accept a prize exceeding the limit of AU\$1,350.)

To achieve this simplified approach, the following key changes have been introduced:

- Distinguishing between scratch and handicap competitions in terms of the prizes that may be accepted.
- The prize rule applies only to tee-to-hole competitions played on a golf course or a simulator but no longer apply to long-drive, putting and skills competitions that are not played as part of a tee-to-hole competition.
- Eliminating all advertising, expense-related and sponsorship restrictions.
- The period awaiting reinstatement to Amateur Status for former professional golfers has been decreased to 6 months (down from the current period of 1 or 2 years, where the length of time has been dependent on the period the player was a pro).



PRIZEMONEY & PROFESSIONAL STATUS

There are no limits on the value of prizes or prize money for:

- A hole-in-one of at least 50 yards when it is made during a tee-to-hole golf competition.
- A hole-in-one of any distance when it is made outside a tee-to-hole golf competition.
- Any of the following when they are NOT conducted during a tee-to-hole golf competition: long drive competitions, target competitions, competitions involving specific skills, trick shots, and competitions that solely involve putting.
- **Note:** The cost of a metal or glass trophy, or of a similar prize, is not restricted by the \$1,350 limit and may be of any value.

Scratch Competitions and Handicap Competitions

An amateur playing in a scratch competition (including a scratch competition conducted by a golf club or facility) is allowed to accept any prize (including prize money) up to a limit of \$1,350 in value.

- For the purposes of the Rules of Amateur Status, a scratch competition is a competition that does not have a net score element in any part of the competition and handicaps must not be used to separate

players into different scratch categories (e.g. State or National Amateurs). Any competition that is not a scratch competition is considered by the Rules of Amateur Status to be a handicap competition. **Note:** In a scratch competition, handicaps may be used to limit who is eligible to enter, such as allowing entry only to players with a GA Handicap of 5.0 or better.

- Regardless of how much prize money an amateur competes for (and whether they are playing in a field that includes both amateurs and professionals), the player will only forfeit their amateur status if they accept a prize in excess of the \$1,350 limit.
- For handicap competitions, there will be no capacity to earn prize money at all, only prize vouchers, equipment or any other kind of merchandise or non-golf related prizes (night in a hotel, etc).

Also Note:

The organisers of professional events may put conditions in place that restrict who is eligible to receive prize money. For example, some organisers may choose to only make prize money available to players who declare themselves to be professionals prior to the start of the event.

PROMOTION & ADVERTISING: NAME, IMAGE, LIKENESS

The new rules will remove the current restrictions on how an amateur golfer may benefit from their name, image or likeness, including but not limited to the receipt of expenses. A golfer can also disclose or publicly reference the source of their assistance.

Since the introduction of NCAA NIL rule changes on 1 July 2021, NCAA athletes across all sports average the following income amounts through name, image or likeness contracts:

NCAA Division I

Average Income:

\$471

NCAA Division II

Average Income:

\$81

NCAA Division III

Average Income:

\$47

Other items that a you may like to consider in exchange for a brand utilising your name, image or likeness could include:

- Tournament invite/s into an event in which they sponsor (nationally or internationally)
- Assistance to cover coaching costs
- Access to a gym, strength and conditioning coach, massage or other services that you were previously paying for
- Tournament expenses – entry fees, travel, accommodation
- Realistic financial compensation

SCENARIO #1

XY golf brand would like you to be a part of a scripted promotion for their newest technology and other promotional activities throughout the year as an ambassador. In exchange they have offered to provide you with a free set of clubs.

OUTCOME: With the new rules, you can enter into an agreement with an equipment company and be part of their promotional activities without these actions affecting your amateur status. You may value your name, image and/or likeness at a higher cost than a set of new clubs, so you may enter into negotiations with them to receive additional compensation from this agreement.

SCENARIO #2

The owner of a golf simulator has asked you to be an ambassador of their business and their new format of golf by using your name and image as a way to promote their concept to the masses. They want to compensate you \$2,000 a month for 6 months to be used at your discretion.

OUTCOME: Within the new rules, you would be able to accept this compensation and publicly endorse their business even if the amount is in excess of your golf-related expenses.

SCENARIO #3

A golf statistics company wants to use your twitter following to bring awareness to their stats program. They offer you free access to the program, plus \$5 per post you make on twitter when promoting their product.

OUTCOME: You would not be in breach of the Rules by benefiting from your likeness by promoting a golf product through your digital platforms and receiving compensation.

SCENARIO #4

A car company has asked you to be involved in a 2-day corporate golf day that they are hosting for their clients and will compensate you \$500 per day (\$1000 total) for your time to be involved. You will be playing 18 holes with some of their most important clients and will be the only elite amateur among 15 other professionals also involved in the event.

OUTCOME: Accepting appearance fees as an amateur is freely permitted under the new Amateur Status Rules.

SCENARIO #5

A member of your local club has been following your amateur career and would like to assist you in covering your expenses to play tournaments internationally as she understands the high costs associated with these trips. She would like to give you \$5,000 to cover your golf-related expenses, and expects nothing from you except updates from your trip. You have some success on your trip, and would like to publicly thank her for her financial support and contribution to your development.

OUTCOME: Under the new rules, you are able to publicly disclose the source of your assistance without your amateur status being called into question.

ADVERTISING

Note: Option for Competition Organisers to Operate a Condition that Restricts Commercial Identification on Clothing or Equipment

Whilst the Rules do not place any restrictions on the number or size of commercial logos that amateur golfers may have on their clothing or equipment, it is permissible for the organizer of a competition to place restrictions on the commercial identification allowed on clothing and equipment. For example, competition organizers could limit the size and location of commercial logos that are displayed on amateur golfers' clothing or equipment (or caddies' clothing or equipment) or they could stipulate that players and their caddies must not promote or advertise within certain categories of businesses. As a result, amateur golfers are encouraged to check event policies in advance to determine whether any restrictive policies are in place



NCAA: NAME, IMAGE, LIKENESS

INTERNATIONAL STUDENT ATHLETES (F-1 VISA)

International student-athletes may have their immigration status and ability to remain in the US long or short term affected by the new NCAA NIL rules.

Under this visa, athletes are not allowed to be paid for work outside of certain approved types of employment through their institution.

To avoid status violation, F-1 student-athletes should consult with their International Student Advisor, Office of Athletic Compliance, or consult an immigration officer prior to entering into any NIL agreements.

It is also advised that student-athletes review the NAFSA website in regards to NIL

regulations for US visa holders to ensure they are accessing the most up-to-date information available.

DECLARE YOUR CONTRACTS

It is important that you inform your compliance officer of any contracts you enter into during your time in college, as well as any partnerships that were entered prior to attending college.

Prospective student-athletes may engage in the same types of NIL opportunities available to current student-athletes under the interim NIL policy without impacting their NCAA eligibility. However, NIL opportunities may not be used as a recruiting inducement or as a substitute for pay-for-play.





HIGH PERFORMANCE FUNDING

It is important to understand how signing a contract with a company could be a conflict to the contract you signed with your State High Performance Manager when you became part of the High Performance program.

At state, national and international events where you are competing as a Golf Australia representative, it is important that you are aware of your responsibilities and ensure you meet them to the best of your abilities.

As a courtesy, you should declare any sponsorship agreements you have entered to your High Performance Manager.

FOR EXAMPLE

An apparel company would like to enter into a contract where they supply you with \$5,000 worth of apparel over the next 3 years. A condition within this contract is that you are required to wear the company's brand at all international and domestic tournaments, in particular if you are to represent Australia.

In year 3 of this contract, you are selected to represent Australia at the World Amateur Championship. A requirement of you representing Australia is that you must wear the Australian uniform. As the Australian uniform is not the same brand of apparel that you have an ongoing contract with, this can create a conflict.

Signing long-term contracts can have pitfalls and may cause you to miss out on future representative opportunities, as well as additional sponsorship opportunities. Ensure you read through all contracts thoroughly and have an understanding of all the obligations of that contract and the long-term effects it may have on your career.



INSTRUCTION

An amateur Golfer can provide instruction through digital forms, which includes social media, so long as the instruction is one way.

SCENARIO #1

You, an amateur golfer, creates an instructional video on how to hit a bunker shot and upload to your YouTube channel for consumption by your paid subscribers.

OUTCOME: An amateur golfer may receive payment or compensation for posting blogs or videos on instruction. But if any form of payment or compensation is involved, you must not respond directly to specific individuals or groups of golfers to assist them with the mechanics of swinging a golf club and hitting a golf ball. This means that the golfers will have to determine for themselves how best to incorporate your instruction into their own swing.

SCENARIO #2

You decide you would like to make some extra money while you're on the road and post on social media that you will analyse your follower's swings and provide tips to help them improve for a small fee.

OUTCOME: As this instruction would be specific to a single individual and would replicate the two-way communication of a traditional lesson, and you would be receiving compensation, it would not be an accepted form of instruction under the Rules of Amateur Status.

SCENARIO #3

The PGA professional at your local golf club delivers a number of programs successfully and has seen the numbers grow to the point that he simply cannot keep up. You think you'd like to get involved with the programs and the PGA pro would appreciate the help, however you are unsure of whether your involvement will jeopardise your amateur status and whether or not you are able to receive payment.

SOLUTION

If the programs with your local PGA professional are an approved program supported by the national governing body, you would have the ability to provide instruction once you have received accreditation as a Community Instructor.

Golf Australia has set a limit of 15 hours per week, up to a maximum of \$15,000 per year.

The reason for these limits is that the intent of the rule is to encourage greater delivery of programs aimed at introducing and /or engaging people in golf. The Rule is not intended to enable amateur golfers to set up a business to provide golf instruction full-time as this is the role of qualified PGA professionals.



TAX REQUIREMENTS

As an athlete, you will be operating as a sole trader and will be required to submit a tax return and declare any income you receive as an athlete, which includes income from sponsorship contracts.

In order to operate as a sole trader, you will be required to have a **Tax File Number (TFN)** and obtain an **Australian Business Number (ABN)**.

You do not need to declare reimbursements that you receive for travel, tournament entries, etc.

If you have questions regarding your tax obligations as an athlete, please consult a licenced tax professional for advice.

