



BULGARIAN CHESS FEDERATION

Request for FIDE General Assembly held from 7-10 September 2012 by the Bulgarian Chess Federation

Honourable President,
Honourable Members of the General Assembly,
Dear guests,

On behalf of the Bulgarian Chess Federation, I would like to explain the subject of our request to the General Assembly and present the case in question..

Summary of the Case and Reasons for the Request

Bulgarian Chess Federation and, as far as we know, Azerbaijan Chess Federation sent their bids to FIDE in January 2012 for the organisation of FIDE Candidates Tournament 2012. We were extremely surprised to find out that the competition was awarded to neither Azerbaijan nor Bulgaria. FIDE informed us that on 20 February 2012, they signed the contract with Agon Ltd, an off-shore company registered on the island of Jersey and established on 12 January 2012 with the goal to organise, promote, commercialize and hold events related to chess. As a result of this contract, which is, in our opinion, invalid, Agon awarded the organisation of the event to London.

I wish to present our reasons for which we think this contract with Agon represents the breach of FIDE Statutes and Regulations, and why every national federation wishing to organise a competition in the future should vote against its ratification:

1. Contract with Agon

According to the contract between FIDE and Agon, Agon is the only and exclusive organiser of every event related to chess. This means that Agon has the right to choose the city, form and budget for every event, while all of this is approved by "Interface", the team who consists of two FIDE members and two Agon members. In fact, only Agon can decide about the organising city, as Mr. Makropoulos confirmed at the Presidential Board Meeting in the United Arab Emirates, on 4-5 February 2012:

"In all our relations based on this contract, if they want to decide a venue, or a sponsor, FIDE should agree with them." (page 9 of the Minutes)

The contract was concluded for the period of 10 years! FIDE can terminate the contract before the expiry of the contract validity period only for "material reasons" regarding Agon. On the other hand, Agon has the right to terminate the contract without providing any reasons, with the notification one year in advance.

This contract has no legal power. FIDE has no authority according to the Statutes to transfer the right constituted in favour of national federations to anybody, especially not to a private company.

By concluding this contract, FIDE violates the rights of national federations.

The events for which Agon has the right to award a city according to its own preference, among others, include:

- a. Match of the FIDE World Chess Championship
- b. World Chess Challenger Competition (Candidates Tournament)
- c. 6 World Grand Prix competitions
- d. World Chess Cup

It is true that FIDE should provide stable finances for the development of chess, but not at the cost of breaching FIDE Statutes. Money should never be the sole goal (FIDE is a non profit making organisation – Art.1.2 of FIDE Statutes). Sports and ethical values must be respected and have a priority.

Contract with Agon, as well as the awarding of the organisation of all FIDE world events to Agon, and Agon's decision to hold Candidates Tournament 2012 in London represent the violation of FIDE Statutes and Regulations for the following reasons:

2. Bidding procedure does not exist any longer

FIDE Statutes and Regulations state that a FIDE tournament can only be awarded to a federation after the bidding procedure and after the evaluation of candidates in accordance with the Regulations on bidding procedure; especially Art. 4.8.6 – 4.8.8 of the Tournament Regulations for FIDE World Championship 2011-2013.

According to our information, neither English chess federation nor Agon participated in the official bidding. Moreover, bidding procedure will no longer be carried out. Therefore, FIDE acts against its own rules if it awards the organisation of Candidates Tournament 2012 to London.

This was confirmed by Mr. Makropoulos at FIDE Presidential Board Meeting in Al Ain, United Arab Emirates on 4-5 February 2012. I am quoting the Minutes:

“Mr. Vega asked how the bidding procedure will be in the future (...) Mr. Makropoulos said there will be no bidding procedure as Agon will be organisers.” (page 11)

“Mr. Makropoulos said there will be no bids. You come to us or go to Agon. FIDE decides together with Agon, on the organiser.” (page 11)

FIDE officials and bodies should represent FIDE with their high standards – they should have the awareness and knowledge of how to use the resources entrusted to them and be the embodiment of integrity, transparency, solidarity and passion for chess.

Avoiding official bidding procedure is clearly the breach of FIDE Regulations. Art. 4.8.2 of Tournament Regulations of FIDE World Championships 2011 - 2013 states:

“FIDE shall open a bidding procedure for the Candidates Tournament before 31 December 2011.”

One more reason why the contract with Agon is the violation of the Statutes and Regulations lies in the fact that FIDE events can be organised only by federations:

3. FIDE events can be organised only by federations

Contract with Agon is against FIDE Regulations because Agon cannot be the only and exclusive organiser of chess events since it is not a federation. According to FIDE Statutes and Regulations, a FIDE competition can be organised only by federations.

Art. 1.1 of the Statutes:

“FIDE unites national chess federations”

Therefore, FIDE is a union of national federations – united chess family. The main mission of FIDE is to improve, protect and develop world chess at every game level, to promote the spirit of community and solidarity.

Art. 1.2 (a) of the Statutes:

“FIDE events (competitions, congresses, meetings) may be hosted only by Federations where free access is generally assured to representatives of all Federations.”

The Presidential Board has tried to find their arguments in Chapter 9 of the bidding procedure which states that FIDE reserves the right not to award organisation at all. However, this argument is valid only in the context of the existing Regulations and does not give FIDE the right to award organisations of tournaments according to their own preferences.

Therefore, FIDE does not comply with its own Statutes and Regulations.

4. Equal Rights of Members

Art. 1.2 of FIDE Statutes states that FIDE bases itself on the following principles:

1. Equal rights of its members;
2. FIDE is a non profit making organisation
3. FIDE rejects discrimination for national reasons.

Agon is a company aimed at making profit, with the headquarters on the island of Jersey, which is a paradise in terms of taxes. Agon wishes to earn money on chess-related events. It is logical that they will choose locations which provide them with the possibility to make more money than another ones. Consequently, big, rich and expensive cities will be given precedence over the small ones from poor countries because they have less potential for money making.

Mr. Makropoulos confirmed this at the Presidential Board Meeting in February this year:

"They are businessmen, they want to make money (...)" (page 10 of the Minutes of first quarter of FIDE Presidential Board)

It is not a surprise that this year Candidates Tournament will be organised in London instead of Baku or Sofia. As a consequence, many of you will no more have a chance to organise big chess tournaments in the future. This jeopardises not only financial solidarity but also sports, moral and structural solidarity as well.

Finally, chess is, above all, a sport; it is supposed to make people happy in all national federations. In addition, chess is also entertainment, it has educational value; it is a part of world culture and it has an important role as an example of democracy and justice.

FIDE violated the fundamental right of its members: right of equality!

Taking into consideration these facts, it is obvious that the contract between FIDE and Agon represents the breach of FIDE Statutes and Regulations. On behalf of the Bulgarian Chess Federation, I am kindly asking all the federations not to ratify the contract with Agon and say that the right to organise world chess events exclusively belongs to federations.

Therefore, I have the following requests:

1. Presidential Board will inform the General Assembly about the bidding procedure for FIDE Candidates Tournament 2012. (that is to say, about bidders, procedure, applications and results, etc.)
2. Federations will not ratify "Contract on promotion and organisation" between FIDE and Agon Ltd. since it represents the violation of FIDE Statutes and Regulations, and will show that the right to organise chess-related events exclusively belongs to federations.
3. Decision on the award of FIDE Candidates Tournament 2012 to London will be declared invalid. General Assembly will award this tournament to one of the official bidders. As an alternative, General Assembly will give orders to the Presidential Board to award FIDE Candidates Tournament 2012 to one of the official bidders.

Thank you for your attention!

Bulgarian chess federation
President



Silvio Danailov