

FIFA WORLD CUP 2026™:

Tax, Withholding & Tournament Readiness for National Federations



wts global

The 2026 FIFA World Cup is unprecedented in scale and geography. With play occurring across the United States, Canada and Mexico, national federations will operate across multiple jurisdictions in a compressed time window, often with changing itineraries, multiple categories of personnel, and substantial prize and commercial payments moving through federation channels.

For many federations, the practical question is not whether tax exposure could arise but whether the federation has an implementable plan to identify exposures, apply correct withholding and reporting, and document positions consistently before payments go out and before inquiries begin.

A coordinated BakerHostetler + WTS Global team can help federations prepare, execute and close out 2026 obligations efficiently.

Federations are not only participants, they are the operational and financial hub for tournament activity. Even where players ultimately bear individual liabilities, federations frequently:

- Receive and distribute prize money and other payments
- Engage coaches and support staff (including short-term specialists)
- Contract with vendors and intermediaries
- Coordinate training camps, exhibitions, and federation-led media or sponsor activities
- Make payments that may require withholding and reporting in host jurisdictions

No broad U.S. federal or state/local exemption is expected for federations or players. As a result, participating federations and their players may be treated as taxable nonresidents earning U.S.-source income, and federations distributing prize money can be viewed as withholding agents.

Key federation-facing issues for 2026

1) Withholding tied to prize and tournament-related payments; federations may need to assess withholding and reporting for:

- Prize distributions and performance payments
- Appearance fees and federation-sponsored events
- Exhibition matches and pre-tournament activities
- Certain sponsor/media payments that are connected to in-country activity

Federation risk drivers include multiple payment types + multiple recipient categories + multiple jurisdictions = high likelihood of inconsistent treatment unless a playbook is built in advance.

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2) Federal vs. state/local divergence in the U.S.

In the U.S., state/local regimes can differ materially by location and may not track federal approaches. A federation's schedule can drive significant withholding exposure in certain states.

BakerHostetler's state and local tax capability is structured to address multistate compliance, planning and controversy needs.

3) Contracting architecture and cost allocation

Many federations learn too late that their templates do not clearly allocate:

- Who bears incremental host-country taxes
- Who is responsible for withholding, filings and forms
- What documentation must be collected before payment
- How reimbursements, per diems and in-kind benefits are treated

A targeted contracting refresh can prevent payment disputes and reduce audit risk.

4) Classification of coaches and support staff

Coaches, analysts, medical/performance personnel, security, chefs, physiotherapists, and media teams may be engaged as employees, contractors or short-term specialists.

Classification affects:

- How payments are sourced and categorized
- Who must register/withhold/report
- Downstream Social Security and contributions exposure

5) Social Security / contributions: separate rules, separate documentation

Income tax treatment does not resolve Social Security, contributions and coverage issues.

Federations often need a parallel track for:

- Coverage documentation
- Host-country contribution exposure tied to the form of engagement and duration/location of work

6) Governance and reputational risk

Noncompliance can become public quickly and lead to:

- Friction with players/staff over net vs. gross payments
- Penalties and persistent follow-up filings
- Sponsor distraction
- Governance scrutiny from boards and stakeholders

A readiness plan must be operational, not academic.

BakerHostetler is prepared to guide a phased process that does not simply identify more issues, but also provides concrete answers for next steps:

- **Phase 1 – U.S. Tax Readiness & Advisory Framework (Planning Phase)** – focused on building a defensible, practical “playbook” that federations can rely on before payments are made and before tournament activity begins, including:
 - U.S. Federal Tax Deliverables
 - » A comprehensive memorandum analyzing U.S. federal income tax issues applicable to Football Australia, players, coaches and support staff, including:
 - √ Characterization and sourcing of prize money, appearance fees, and tournament-related payments
 - √ Federation withholding obligations and reporting responsibilities
 - √ Treatment of federation-sponsored activities (training camps, exhibitions, media and sponsor appearances)
 - √ Overview of documentation required to support withholding positions and exemptions, where applicable

80+
Attorney Tax Group



BakerHostetler LLP

171

BakerHostetler attorneys were ranked in the 2025 edition of *Chambers USA*.

73

BakerHostetler practice areas were recognized – with 22 practice areas receiving Band 1 rankings.

Chambers Global

18

BakerHostetler attorneys were ranked in the 2025 edition of Chambers Global.

11

Firm rankings in the USA and Latin America including multiple practices receiving Band 1 recognition.

- » A high-level Payment & Activity Map identifying key payment types, payers, recipients and U.S. federal tax trigger considerations
- » Coordination framework for alignment with home-country tax positions through WTS Global member firms to reduce inconsistent treatment
- U.S. State and Local Tax Deliverables
 - » A state and local tax supplement tailored to each federation's anticipated unique match, training and media locations, addressing:
 - √ State-by-state withholding exposure driven by location of play and services
 - √ Divergence between federal and state/local treatment
 - √ Registration, filing, and reporting considerations in higher-risk jurisdictions
- A U.S. Federal + State/Local Compliance Matrix tying anticipated locations to potential filing and withholding obligations, designed to be updated as schedules evolve
- **Phase 2 – Compliance Implementation & Execution Support (optional, scoped separately)** – focused on turning the Phase 1 advisory framework into repeatable, operational compliance processes during the tournament cycle:
 - Development of withholding, reporting, and documentation workflows aligned with the Phase 1 playbook
 - Assistance with registration, filings, and information returns where required
 - Ongoing support for classification and contracting questions as staff and itineraries change
 - “Command center” style advisory support for real-time issues arising from schedule changes, additional activities or sponsor/media obligations
 - Post-tournament closeout support, including reconciliations and audit-readiness

Where a federation wants help turning a plan into repeatable processes,

BakerHostetler stands ready to partner with preferred accounting partners to support implementation of compliance programs (e.g., workflows, administration and scalable execution) alongside the legal-led framework.

Together, BakerHostetler and WTS Global and its members based in participating countries provide one coordinated advisory team that can:

- Design a defensible U.S. approach (federal + state/local)
- Coordinate home-country and cross-border positions through WTS member firms
- Ensure consistency so steps taken in one jurisdiction don't create avoidable issues in another

Many federations are awaiting further tournament guidance. Guidance, however, often does not resolve withholding mechanics, state-by-state differences, classification, documentation and operational execution questions.

The team at BakerHostetler and WTS Global would welcome a 30-minute working session to discuss:

- Match/training/media itinerary (U.S./Canada/Mexico)
- Prize and payment flows (who pays what, to whom and when)
- Staff engagement model (employee/contractor/short-term specialists)
- The minimal documentation and workflow needed to execute cleanly

This brochure is for general informational purposes and does not constitute legal or tax advice. Advice should be tailored to each federation's facts, schedule, personnel and agreements. Contact Julian Perlman for coordinated discussions with BakerHostetler and WTS Global member firms.



143

Attorneys ranked

29

Practice area rankings in
The Legal 500 United States 2025.



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in BTI's Client Service A-Team
2025 Report

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