

To
ITTF Associations
ITTF Officials
ITTF Management Team

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BoD-Proposition 24: Integrity of ITTF at stake / Unclear processes surrounding WTT

Dear Friends,

The DTTB, severely concerned about the present development of ITTF and the significant change of power from democratically elected institutions to salaried staff and the newly implemented commercial and events company World Table Tennis Ltd. (WTT), sends this letter to all ITTF Associations, ITTF Officials and ITTF Management Team.

The German Table Tennis Association (DTTB) historically has been in the forefront of modernization and improvement of our sport and does not intend at all to stop positive developments and new ideas that could improve the attractiveness of our sport. The DTTB however insists on the constitutional rights of Associations and all elected institutions. And they insist on total transparency of all actions. 226 National Associations are the members and “owners” of the ITTF. They determine the constitution and regulations of their Federation, the ITTF.

Proposition 24 to the Board of Directors (BoD) is intended to appear to update, clean up overlap and adjust details to bring them in line with current practice. However, in essence it is a dramatic change that will further disempower the National Associations. Be it the prepared elimination of the traditional World Cup tournaments, the devaluation of World Championships or the de facto abolition of continental tournaments.

Why should we voluntarily abolish the best tournaments with high public appeal and a long tradition? And this before we know how WTT tournaments are accepted by the public and sponsors? Why should the National Associations leave it to a third party to make money with

tournaments. The financial commitments are much higher than the rights granted to organisers. This in times when national associations all over the world are fighting for survival anyway.

In our opinion, the background of several actions in the past including the current proposition is strengthening of WTT whose financial and commercial structures have been presented, but not with all the necessary details requested by the National Associations. The National Associations were not included in the decision and did not approve it. As National Associations we all have an interest of knowing and receiving the details. The process so far contradicts not least the sake of transparency and good governance as set out in the Strategic Plan 2018-2024.

Having said that we would like to ask you to in this sense understand the following statement:

1. WTT is a company founded by the ITTF to better promote table tennis. ITTF was in the beginning the only owner. The foundation of WTT was achieved by great promises: WTT would lead Table Tennis to so far unknown heights and make TT in the world of sport as competitive as Basketball, Tennis or similar sports. With such assertions, prophecies and professional marketing slogans they succeeded in convincing and exciting the Executive Committee (EC) and other influential Officials.
2. Unfortunately, instead of asking WTT to first test new ideas in some suitable tournaments and to carefully check whether reality would confirm great promises and announcements, ITTF sold rights and properties, which affect essential interests of the National Associations, collectively to WTT. This package contained practically all significant international Table Tennis events. And instead of trying out new ideas in a limited test phase the contract between ITTF and WTT was concluded right from the start for not less than fifteen years.
3. This was done without discussing the details and the possible short and long term consequences with ITTF institutions like AGM, the Continental Federations or the Board of Directors. And – above all – the National Associations, the carriers and owners of ITTF, were never informed about the degree of influence and power and freedom of decision transferred to WTT.

4. It seems that the contract between ITTF and WTT means that WTT now has full control over the total international Table Tennis Tournament System and can also sell (or has already sold) these rights, apparently also without the involvement of ITTF institutions mentioned above, to agencies. They, in turn, can now use these rights to conduct business independently, in their own commercial interests and under their own direction.
5. The guaranteed WTT's license fee to the ITTF of only \$2 million per year appears to be significantly less than the marketing revenue the ITTF itself has generated in recent decades even considering that costs have to be transferred to WTT to the full extent.
6. The ITTF so far refuses to disclose to the actual rights holders, i.e. the National Associations, the so-called Master License Agreement, which contains the details of rights sold from ITTF to WTT. WTT, led by salaried ITTF staff, in turn refuses to disclose the details of its agreements with marketing companies, consultants and licensees. The flows of money (pay of Directors, salaries, bonuses, fees for consultants) seem to be hidden within complex structures.
7. The CEO of the ITTF, seen as initiator and driver of the whole program, seems to have a clear conflict of interest as a paid CEO (employee) of the ITTF and a (paid?) Director of WTT. In this dual role he can, possibly control and monitor in his best personal interest. Potential constitutional problems in terms of transparency and good governance are obvious.
8. The ITTF's EC and the ITTF President obviously acted in good faith and with total confidence in its management staff, believing that the establishment of WTT was solely for the better marketing and promotion of table tennis. Only gradually the fact is becoming clear that this program includes the intention to deprive the member Associations of crucial rights, to ignore institutional rights and to make the best players in the world and their ranking positions dependent on WTT decisions and on the participation in WTT tournaments.
9. In fact, WTT plans to force the top players to participate in WTT tournaments by awarding the winners in "their" Grand Smashes events with so many points that starting in traditional tournaments like Japan, German or China Open, Continental Championships and even World Championships and Olympic Games for the players and their ranking positions would not be interesting anymore.

10. It is said that winning a Continental or an important Open Championships would be awarded with much lesser ranking points than a victory in a WTT Grand Smash event. And even winning a gold medal in the Olympic Games or World Championships would be less valuable than a number-one result in a WTT Event. Especially Olympic Games and World Championships are essential to the National Associations as governmental financial support is usually linked to these major events.
11. These plans mean a disempowerment of all national and continental entities and a serious impairment of their work at the grassroots of our sport. It seems to be a takeover of our sport by a small group of salaried ITTF staff, isolated located in Singapore instead of Lausanne where ITTF has its legal and historical basis.
12. The WTT and partners can now plan to manage all top-level table tennis sport and to schedule events without having to involve the National Associations, the Continental Boards and the Board of Directors in their decision-making processes.
13. In this way, players can be removed from the influence of the continents, the National Associations, their national leagues and their clubs. The work of the National Associations is hindered, their structures could be destroyed. WTT and partners may block all those Associations whose base development work at the grassroots level introduces young players and young talents to our sport.
14. The most questionable step seems to be the implementation of the WTT as a for-profit corporation with 2 salaried employees of the ITTF as Directors (WTT Board) apparently without the initial knowledge of the ITTF's EC. To oversee the structures a lot of business experience and expertise in international auditing would be needed.

Present Situation:

- a. The foundation of WTT in its present form basically means that the ITTF is left behind as an empty shell.

- b. Some members within the ITTF's professional management staff seem to take over all significant ITTF activities and overstep ITTF institutions such as National Associations, EC, Continental Federations, Board of Directors and Continental Presidents. In the end, all Continents could lose their power and influence.
This development has been facilitated by the COVID-19 pandemic that have forced the EC members and other officials to work online and forgo personal meetings and discussions. And on top of this difficulty the responsible WTT group isolated itself in Singapore thus making detailed control even more difficult.

- c. In order to reach all WTT targets, members of the full-time management staff, seem to influence elections and political affairs within National Associations and continental federations. This is against the ITTF Constitution.

- d. The CEO of the ITTF seems to act and behave – also in his additional new function as Director WTT – as the determining person within the ITTF, more and more acting against the intentions and advice of the ITTF President.

- e. It is high time to shed light on a negative development that transforms the ITTF into a dominion of a small group controlling the ITTFs business and sport without sufficient independent control and oversight.

Summary

- a. Accepting Proposition 24 to the BoD will have the consequence that National Associations lose all control of competitions. Therefore, we strongly recommend to vote “No” to all changes and deletions made there.

- b. During the implementation of WTT, essential principles of good governance and transparency were apparently violated. Democratically elected institutions of the ITTF have been ignored and excluded. Inevitably, the question comes up whether some full-time staff members pursue their own goals.

The ITTF, representing a global sport that is famous for its Fair Play values, is risking to lose its character, integrity and reputation.

c. For the National Associations, the individual Continents and all elected ITTF officials, it is high time to insist on exercising their rights and look into these processes before the general public, the media or even the IOC do, potentially causing a major scandal for our sport.

d. The ongoing activities of WTT could not only mean a severe damage to our sport, its history and culture but also an essential disempowerment of all national and continental entities. This concentration of power by a small group of salaried ITTF staff, located in Singapore instead of Lausanne where ITTF has its legal and historical basis, should be thoroughly investigated by independent economic and legal experts that could check the transparency, legality and legitimacy of the ongoing processes. These experts should be provided with the mandate which does not only include an audit of annual financial statements. The auditor should be an expert who so far has not yet been entrusted with ITTF tasks.

We welcome any support for our cause.

In table tennis we are a global family. Keep our entity alive!

Best friendly regards,

On behalf of the Exective Committe of the German Table Tennis Association (DTTB)

Michael Geiger
President

Hans Wilhelm Gäb
Honorary President

Matthias Vatheuer
Secretary General