# 2015 ABU DHABI GRAND PRIX

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| **From** | The FIA Stewards of the Meeting | **Document** | 33 |
| **To** | All Teams, All Officials | **Date** | 29 November 2015 |
| | | **Time** | 15:30 |

**Title** Stewards Document

**Description** Stewards Document

**Enclosed** ABU Doc 33 - Stewards Decisions- Request for Settlement.pdf

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**The FIA Stewards of the Meeting**

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Having received a "Request for Settlement of a Matter" from Mercedes-Benz Grand Prix Limited operating as Mercedes AMG Petronas F1 Team ("Mercedes") wherein Mercedes states that it considers that there are a number of ambiguities within Appendices 6 and 8 of the 2015 Formula One Sporting Regulations (refer Document No 17), and requesting the Stewards to settle the matter, the Stewards, having

(i) heard from the team representatives of Mercedes, Infiniti Red Bull Racing("Red Bull Racing"), Scuderia Ferrari ("Ferrari"), Williams Racing ("Williams") and Sahara Force India F1 Team;("Force India"),

(ii) heard from the FIA Director of Formula One, Mr Charlie Whiting and the FIA F1 Technical and Sporting Coordinator, Mr Marcin Budkowski;

(iii) examined correspondence in both directions between the FIA and the following parties;
   a. Ferrari
   b. Haas Formula LLC trading as Haas F1 Team
   c. Red Bull Racing
   d. Mercedes

(iv) received written submissions from the following parties;
   a. Manor Grand Prix Racing
   b. Mercedes
   c. Ferrari
   d. Force India

(v) examined reports of FIA audits, inspections and visits to various team facilities;

take the decisions below.

These decisions stand severally.

Underpinning these decisions is our clear understanding of the intention of Appendices 6 and 8 of the FIA Formula One Sporting Regulations, as articulated to us overwhelmingly in statements by the FIA and the representatives of those teams appearing before the Stewards. That intention is understood to be to place limits on the amount of aerodynamic development each competitor is able to carry out and to prevent an escalation of the costs associated with research particularly, for Appendix 8, in the area of aerodynamic testing. None of the representations of the teams or any other party challenged this underlying objective of the two appendices.

Accordingly our interpretation of the regulations as they stand has reflected the above intention. Unless otherwise stated, that interpretation shall form the reason for the decisions below.

## Decision 1

**The decisions contained in this document have application only from today's date. No retrospectivity shall apply.**

**Reasons:** all parties including the teams make representations, concede that there are ambiguities in the current regulations and all parties appear to have acted in good faith to attempt to address these ambiguities as they have become apparent.

## Decision 2

In the matter of Question a) of the Mercedes submission viz;

> *"We believe that the aerodynamic geometry/surfaces of a Listed Part would fall within the definition of a "Listed Part" such that the provisions of Appendix 6 also apply to such aerodynamic geometry/surfaces? Please can you confirm if this is correct?"*

the decision is **Yes**.

## Decision 3

In the matter of Question b) of the Mercedes submission viz;

> *"If so, then it would appear to follow that information relating to such geometry/surfaces cannot be shared with another competitor under paragraph 3 of Appendix 6. Please can you confirm if this is correct?"*

the decision is **Yes**.

## Decision 4

In the matter of Question c) of the Mercedes submission viz;

> *"Given that the design of a Listed Part can be outsourced under Regulation 6.3 and paragraph 2 of Appendix 6, does this also permit the outsourcing of the "aerodynamic testing" undertaken to create the design of the Listed Parts to a third party for the ultimate benefit of the competitor?"*

the decision is **Yes** but subject to the previous decision and only if conducted in the Wind Tunnel nominated by the competitor and provided the conditions of Articles 2 and 3 of Appendix 6 and those of Appendix 8 are complied with.

## Decision 5

In the matter of Question d) of the Mercedes submission viz;

> *"If such outsourcing is permitted, would the aerodynamic testing of such Listed Parts by third parties fall within the restrictions set out in Appendix 8 to the Regulations?"*

the decision is **Yes**

> *"Would the competitor be required to include such aerodynamic testing by a third party in its quotas under Appendix 8 and hence in its report to the FIA?"*

the decision is **Yes**

## Decision 6

In the matter of Question e) of the Mercedes submission viz;

> *"Paragraph 3 of Appendix 6 clearly prevents a competitor passing data in relation to Listed Parts to another competitor. Does this restriction also apply to non-Listed Parts, in particular in relation to data acquired from a testing programme?"*

the decision is **Yes** in relation to data, in accordance with Article 3.10 of Appendix 8. It does not apply to the operational data for non-Listed Parts.

## Decision 7

In the matter of Question f) of the Mercedes submission viz;

> *"Please can you confirm the meaning of "outsourcing" in paragraph 3 of Appendix 6 to the Sporting Regulations? This is an area of significant uncertainty to Mercedes and, it believes, to other teams."*

the decision is as follows;

**The reference should be to Article 2 not "paragraph 3". Outsourcing is the contracting or subcontracting of a service to, or the purchasing of goods from, an external party, where it could reasonably be expected that the service or goods could be performed or produced internally in that or a similar organisation.**

## Decision 8

In the matter of Question g) of the Mercedes submission viz;

> *What are the meanings of "Related Party", "agent" and "sub-contractor" for the purposes of Appendix 8?*

the decision is;

**A Related Party for the purposes of Appendix 8 is a party who is an "associate" as defined in Article 5 of Appendix 6 or an entity working on behalf of a competitor, or an external entity that designs surfaces for its own purposes and subsequently provides these surfaces to a competitor.**

**An agent is a person or party which acts on behalf of another person or party**

**A sub-contractor is a party which takes on a portion of a contract from the principal contractor (in this case, to the team) or another contractor (to the team) and must provide the services or product necessary for the performance of the other's contract. For the purposes of Appendix 8, a sub-contractor might also mean a direct contractor.**

**Whilst not referred to in this question, point 21 of the submission also correctly states there is no definition of "team". Team is defined, for the purposes of this matter, to be any competitor entered in the FIA Formula One World Championship.**

### Decision 9

In the matter of Question h) of the Mercedes submission viz;

> *"If the definition of Related Party is as per IAS 24 above, then what is meant by a party having "significant influence" over another party? This is another area of significant uncertainty for Mercedes and, it believes, for other teams."*

the decision is that **this in now irrelevant in view of Decision 8.**

### Decision 10

In the matter of Question i) of the Mercedes submission viz;

> "In particular, would any third party which carries out any aerodynamic testing in relation to any surfaces or parts which are ultimately for the benefit of a competitor, be classified as a either a "*Related Party*", "*agent*" or "*sub-contractor*" of that competitor and, therefore, fall within the restrictions in Appendix 8, regardless of the exact legal form of any relationship between the third party and the competitor?"

the decision is; **If the tests are for the exclusive benefit of the competitor then yes, they will be considered as carried out by a Related Party, agent or sub-contractor and hence will be subject to the restrictions of Appendix 8. However if they are to the non-exclusive benefit of the competitor, but carried out independently of that competitor and therefore not by a Related Party, agent or sub-contractor, then they shall not fall within the restrictions of Appendix 8.**

### Decision 11

In the matter of Question j) of the Mercedes submission viz;

> *"Specifically, is any aerodynamic testing that a team may ultimately benefit from required to be carried out in that team's nominated wind tunnel? "*

the decision is **Yes, except for non-listed parts and their operational (but not design) data.**

### Decision 12

In the matter of Question k) of the Mercedes submission viz;

> *"If an <u>individual</u> carries out Restricted Wind Tunnel Testing and/or Restricted CFD Simulations for the benefit of a team and then moves to work for a different team, whether that be by way of employment, secondment, outsourcing, consultancy or agency, is there any restriction on the sharing of information in relation to the testing results acquired by that individual?"*

the decision is **as defined in Decision 13 below.**

**Decision 13**

In the matter of Question l) of the Mercedes submission viz;

> *"Are there any restrictions in the Regulations on the sharing of wind tunnel facilities or employees/agents/consultants/contractors by competitors? If not, is there anything in the Regulations to control the disclosure of information on aerodynamic testing between individuals who may physically move between competitors?"*

and Question m) of the Mercedes submission viz;

> *"If employees, consultants and/or contractors of a competitor "A" are seconded or provided/outsourced to and/or shared/exchanged with a third party or another competitor "B" and such individuals perform aerodynamic testing from which the competitor "A" may benefit (whether by the transfer of knowledge or information or the physical movement of individuals or otherwise), would such testing fall with the restrictions in Appendix 8 and, therefore, be required to be reported by competitor "A" to the FIA?"*

the decision is that **all competitors in the 2015 FIA Formula 1 World Championship and all competitors intending to compete in the 2016 FIA Formula One World Championship, must comply with the following with effect from today's date:**

**The purpose of the Aerodynamic Testing Restrictions (ATR) in Appendix 8 of the Sporting Regulations is to place limits on the amount of aerodynamic development each competitor is able to carry out. These limits are set out in Paragraph 3.6 of the Appendix. The detailed wording within the Appendix is also intended to ensure that no competitor is able to circumvent the purpose or intention of the restrictions by, for example, using a third party to carry out aerodynamic development on their behalf.**

**The following (non-exhaustive) list may be deemed attempts to circumvent the purpose or intention of Appendix 8, any of these could therefore be reported to the stewards of the next Event as a breach of the Formula One Sporting Regulations.**

**1) No employee or consultant of a competitor who is involved in aerodynamic development may pass any information obtained under their own ATR quota to an employee or consultant of another competitor.**

**2) No employee of a competitor who is involved in aerodynamic development, who leaves that company and takes up a similar position with another competitor, may do so without a suitable (or normal) period of "gardening leave" or "isolation".**

**3) No employee of a competitor who is involved in aerodynamic development, and who leaves that company and takes up a similar position with another competitor, may then return to the original competitor without a suitable (or normal) period of "gardening leave" or "isolation".**

**4) No employee of a competitor who is involved in aerodynamic development, and who then leaves that company, may pass information obtained under their former employer's ATR quota to an employee or consultant of another competitor before a suitable (or normal) period of "gardening leave" or "isolation" has elapsed.**

**5) No employee of an external entity who is involved in F1 aerodynamic development may be employed by a competitor, on a permanent or temporary basis, without a suitable (or normal) period of "gardening leave" or "isolation".**

**6) No employee of a competitor who is involved in aerodynamic development may be seconded to, or temporarily employed by, another competitor unless such secondment or employment is a genuine long term arrangement for the sole purpose of providing the other competitor with technical expertise. Any seconded employee must not then return to the original competitor without a suitable (or normal) period of "gardening leave" or "isolation". Three months would be considered as a genuine long term arrangement.**

**7) No competitor may acquire aerodynamic surfaces from an external entity (even if such entity claims to have designed them for its own purposes), unless any aerodynamic testing resource used to develop the surfaces is counted within the relevant competitor's ATR quota.**

**8) Teams sharing a wind tunnel (or any other aerodynamic testing resource as referred to in Appendix 8, including a CFD cluster) must put appropriate procedures in place to avoid any breach of confidentiality or of the general restrictions of Appendix 6 and Appendix 8. This would include (but not be limited to):**

- **(i) ensuring staff shared by both parties or employed by one party but involved in the operational part of the aerodynamic testing of the other party (such as operating or maintaining the wind tunnel and/or CFD hardware) give contractual covenants not to pass information or to allow information to pass between the parties.**
- **(ii) putting the physical infrastructure in place so the two parties operate their support activities (such as wind tunnel model preparation), other than the operational part of the testing mentioned above, in separate environments.**
- **(iii) putting the IT infrastructure in place so the two parties operate on separate networks and store their data on separate (at least virtually) storage hardware.**

**Note: "A suitable or normal period of gardening leave or isolation" must be 6 months except in the case of force majeure or a competitor ceasing operations (for example due to bankruptcy). Normally "gardening leave" is a contractual matter between the employee and the competitor from which that employee is leaving, and "isolation" is a similar arrangement and obligation for the competitor to which the employee is moving.**

**Decision 14**

In the matter of Question n) of the Mercedes submission viz;

> *"If a team develops or supplies non-Listed Parts with aerodynamic surfaces for and/or to another team, then in whose Aerodynamic Testing Restriction quota would any aerodynamic testing of such non-Listed Parts fall – the competitor undertaking the testing or the ultimate user? What happens if the same non-Listed Parts are supplied by either another team or a third party to more than one team and/or used by more than one team? How, and by whom, is the aerodynamic testing reported?"*

the decision is **the testing will fall within the quota of the competitor who "controls the testing". In this matter, "control" includes some or all of; designing the parts, choosing the run list, performing the testing, analysing the results, writing the reports, and/or deciding to continue or abandon the concept.**

**Decision 15**

**Having examined the reports (including audit reports team facilities) provided to us, the Stewards confirm that there is no evidence that competitors have not complied with the requirements of Appendices 6 and 8 as they were interpreted prior to today's date.**

**Recommendation to the FIA**

**The Stewards recommend to the FIA that in future once a potential competitor (as opposed to Official Entry) applies to be a competitor in the FIA Formula One World Championship and this application is accepted, that competitor should be bound by Appendices 6 and 8 (and for that matter any other appropriate sections of the Formula One Sporting and Technical Regulations).**

All parties are reminded of their right of appeal under the FIA International Sporting Code.

**Garry Connelly** **Steve Stringwell**

**Derek Warwick** **Khaled Bin Shaiban**

**FIA Stewards of the Meeting**