

Decision of the Single Judge of the Players' Status Committee

passed in Zurich, Switzerland, on 26 August 2014,

by

Geoff Thompson (England)

Single Judge of the Players' Status Committee,

on the claim presented by the club

Club A, country B

as "*Claimant*"

against the club

Club C, country D

as "*Respondent*"

regarding a contractual dispute arisen between the parties
and relating to Player E.

I. Facts of the case

1. On 1 August 2011, the club from country B, Club A (hereinafter: *the Claimant*) and the club from country D, Club C (hereinafter: *the Respondent*) signed a transfer agreement (hereinafter: *the agreement*), according to which the Respondent accepted to pay to the Claimant a transfer compensation of EUR 1,700,000 for the definitive transfer of Player E (hereinafter: *the player*) as follows:
 - i. EUR 1,000,000 upon signature of the agreement;
 - ii. EUR 700,000 on 1 August 2012.
2. On 13 September 2012, the Claimant lodged a claim against the Respondent with FIFA explaining that, although the latter club had paid the sum of EUR 1,000,000, it had not yet paid the second instalment amounting to EUR 700,000 stipulated in the agreement. Consequently, the Claimant claimed the total amount of EUR 700,000 from the Respondent in accordance with the agreement signed by the parties concerned.
3. In its response dated 15 July 2013, the Respondent confirmed having a debt towards the Claimant of EUR 700,000 concerning the transfer of the player and proposed to the Claimant to settle the matter in hand amicably.
4. On 23 July 2013, the Claimant informed FIFA that the parties were trying to reach an amicable settlement in this matter.
5. On 17 March 2014, the Claimant informed FIFA that the parties could not reach any amicable settlement and, therefore, requested that a decision be taken in the present matter. In this respect, the Claimant requested FIFA to condemn the Respondent to pay the amount of EUR 700,000 as well as 5% interest *p.a.* as from 1 August 2012. The Claimant also provided FIFA with a letter signed by the Respondent dated 19 February 2014 which stated that the latter club accepted to settle the dispute amicably and proposed to pay to the Claimant 9 monthly instalments of EUR 83,797.56 each, starting as from 5 March 2014. The letter mentioned that should the Respondent be late in one instalment the total remaining value would be due immediately.
6. In its last position dated 16 April 2014, the Respondent did not add anything to its previous statement and apologised again for not being able to fulfil its contractual obligations.

II. Considerations of the Single Judge of the Players' Status Committee

1. First of all, the Single Judge of the Players' Status Committee (hereinafter also referred to as: *the Single Judge*) analysed whether he was competent to deal with the matter at hand. In this respect, he referred to art. 21 par. 2 and 3 of the Rules Governing the Procedures of the Players' Status Committee and the Dispute Resolution Chamber (editions 2008, 2012 and 2014). Consequently, and since the present matter was submitted to FIFA on 13 September 2012, the Single Judge concluded that the 2008 edition of the Rules Governing the Procedures of the Players' Status Committee and the Dispute Resolution Chamber (hereinafter: *the Procedural Rules*) is applicable to the matter at hand.
2. Subsequently, with regard to his competence, the Single Judge confirmed that on the basis of art. 3 par. 1 and 2 of the Procedural Rules in connection with art. 23 par. 1 and 3 as well as art. 22 lit. f) of the 2014 edition of the Regulations on the Status and Transfer of Players he is competent to deal with the matter at stake, which concerns a dispute between two football clubs affiliated to two different associations.
3. Furthermore, the Single Judge analysed which edition of the Regulations on the Status and Transfer of Players should be applicable as to the substance of the matter. In this respect, he referred, on the one hand, to art. 26 par. 1 and 2 of the 2010, 2012 and 2014 editions of the Regulations on the Status and Transfer of Players and, on the other hand, to the fact that the claim was lodged with FIFA on 13 September 2012. In view of the foregoing, the Single Judge concluded that the 2010 edition of the FIFA Regulations for the Status and Transfer of Players (hereinafter: *the Regulations*) is applicable to the case at hand as to the substance.
4. His competence and the applicable regulations having been established, and entering into the substance of the present matter, the Single Judge started by acknowledging the above mentioned facts of the dispute, the arguments of the parties as well as the documentation contained in the file.
5. In doing so and to start with, the Single Judge noted that, on 1 August 2011, the Claimant and the Respondent had concluded a transfer agreement (hereinafter: *the agreement*) which provided for the Claimant to receive from the Respondent EUR 1,700,000 as transfer fee as follows: EUR 1,000,000 upon signature of the agreement as well as EUR 700,000 on 1 August 2012.

6. In continuation, the Single Judge acknowledged that, in its claim to FIFA, the Claimant had requested from the Respondent the payment of the second instalment of the transfer fee due amounting to EUR 700,000 as well as interest as from 1 August 2012, arguing that the transfer fee had not yet been paid by the Respondent.
7. Equally, the Single Judge observed that, for its part, the Respondent had acknowledged owing the sum of EUR 700,000 to the Claimant and had offered to pay the amount in question in installments whereas no amicable settlement could eventually be reached between the parties.
8. With the aforementioned considerations in mind, taking into account the legal principle of *pacta sunt servanda*, which in essence means that agreements must be respected by the parties in good faith, considering that the Respondent had admitted not having paid the last instalment of the transfer fee to the Claimant, the Single Judge concluded that the Respondent must fulfil its obligations established in the agreement and consequently, pay to the Claimant the outstanding amount of EUR 700,000.
9. In conclusion, the Single Judge decided that the claim of the Claimant is partially accepted and the Respondent has to pay to the Claimant the amount of EUR 700,000 plus 5% interest on the said amount as from the day following the due date of the relevant instalment, i.e. on 2 August 2012.
10. Lastly, the Single Judge referred to art. 25 par. 2 of the Regulations in combination with art. 18 par. 1 of the Procedural Rules, according to which, in the proceedings before the Players' Status Committee, including the Single Judge, costs in the maximum amount of CHF 25,000 are levied. The costs are to be borne in consideration of the parties' degree of success in the proceedings (cf. art. 18 par. 1 of the Procedural Rules).
11. In this respect, the Single Judge reiterated that the claim of the Claimant is partially accepted and that the Respondent is the party at fault. Therefore, the Single Judge decided that the Respondent has to bear the entire costs of the current proceedings in front of FIFA.
12. Furthermore and according to Annexe A of the Procedural Rules, the costs of the proceedings are to be levied on the basis of the amount in dispute. Consequently and taking into account that the total amount at dispute in the present matter is above CHF 200,001, the Single Judge concluded that the maximum amount of costs of the proceedings corresponds to CHF 25,000.

13. In conclusion, and considering that the present case did not show particular factual difficulties or specific legal complexities, the Single Judge determined the costs of the current proceedings to the amount of CHF 20,000.
14. Consequently, the Respondent has to pay the amount of CHF 20,000 in order to cover the costs of the present proceedings.

III. Decision of the Single Judge of the Players' Status Committee

1. The claim of the Claimant, Club A, is partially accepted.
2. The Respondent, Club C, has to pay to the Claimant, Club A, **within 30 days** as from the date of notification of this decision, the total amount of EUR 700,000, plus 5% interest per year on the said amount from 2 August 2012 until the date of effective payment.
3. Any further claims lodged by the Claimant, Club A, are rejected.
4. If the aforementioned sum plus interest is not paid within the aforementioned deadline, the present matter shall be submitted, upon request, to FIFA's Disciplinary Committee for consideration and a formal decision.
5. The final costs of the proceedings in the amount of CHF 20,000 are to be paid by the Respondent, Club C, **within 30 days** as from the date of notification of the present decision as follows:

- 5.1. The amount of CHF 15,000 has to be paid to FIFA to the following bank account with reference to case nr. xxxxxxxxxxxxxx:

UBS Zurich
Account number 366.677.01U (FIFA Players' Status)
Clearing number 230
IBAN: CH27 0023 0230 3666 7701U
SWIFT: UBSWCHZH80A

- 5.2. The amount of CHF 5,000 has to be paid directly to the Claimant, Club A.

6. The Claimant, Club A, is directed to inform the Respondent, Club C, immediately and directly of the account number to which the remittances under points 2. and 5.2. above are to be made and to notify the Single Judge of the Players' Status Committee of every payment received.

Note relating to the motivated decision (legal remedy):

According to article 67 par. 1 of the FIFA Statutes, this decision may be appealed against before the Court of Arbitration for Sport (CAS). The statement of appeal must be sent to the CAS directly within 21 days of receipt of notification of this decision and shall contain all the elements in accordance with point 2 of the directives issued by the CAS, a copy of which we enclose hereto. Within another 10 days following the expiry of the time limit for filing the statement of appeal, the appellant shall file a brief stating the facts and legal arguments giving rise to the appeal with the CAS (cf. point 4 of the directives).

The full address and contact numbers of the CAS are the following:

Court of Arbitration for Sport
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1012 Lausanne
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For the Single Judge of the
Players' Status Committee

Jérôme Valcke
Secretary General

Encl. CAS Directives