Decision of the
Dispute Resolution Chamber

passed in Zurich, Switzerland, on 18 August 2016,
in the following composition:

Thomas Grimm (Switzerland), Chairman
Joaquim Evangelista (Portugal), member
Johan van Gaalen (South Africa), member
Todd Durbin (USA), member
Zola Percival Majavu (South Africa), member

on the matter between the club,

Club A, country B

as Claimant

and the player,

Player C, country B

as Respondent 1

and the club,

Club D, country E

as Respondent 2

regarding an employment-related dispute
between the parties
I. Facts of the case

1. On 1 February 2010, the player from country B, Player C (hereinafter: the player), born on 15 December 1996, and the Club A from country B (hereinafter: Club A), concluded a document referred to as ‘Joint Stock Company “FC” Club A Order’ (hereinafter: the document), valid as from 1 February 2010. According to the document, the player was entitled to receive a monthly amount of 80 (approximately EUR 7 on 1 February 2010).

2. On 14 March 2013, the player and Club A concluded an employment contract (hereinafter: the contract), valid as from 15 July 2013 until 30 June 2015, as well as an annex to said contract. According to the contract and the annex, the player was entitled to receive a monthly salary of 4,000 (approximately EUR 459) in the period between 15 July 2013 and 30 June 2014 and a monthly salary of 5,000 (approximately EUR 573) in the period between 1 July 2014 and 30 June 2015.

3. Article 7.2 of the contract stipulates the following: ‘The Contract terminates its validity. 1) on expiry, 2) by the parties mutual agreement, 3) in case of a permanent transfer of the Player to the new club on his consent, 4) in case of unilateral termination of the contract’.

4. According to article 7.3 of the contract provides for the following clause: ‘7.3 If a party of the Contract has breached the Contract without just cause, which led to the termination of the contract unilaterally, the violating party shall pay to the other party compensation that is calculated as follows: 7.3.1 If the Club is a party in breach of the Contract, the Club shall pay to the Player compensation calculated under the FIFA Regulations for the Status and Transfer of Players binding at the moment of this contract signing. 7.3.2. If the Player is a party in breach of the Contract, the Player shall pay to the Club compensation calculated under the FIFA Regulations for the Status and Transfer of Players binding at the moment of this contract signing’.

5. Article 7.4 of the contract stipulates: ‘Just causes for unilateral termination of the Contract: 7.4.1. for the Player: A) mentioned in art. 7.6 hereinafter, 7.4.2 for the Club, A) if the player systematically (three times or more) fails to fulfil his obligations under the present Contract [...]; B) mentioned in art. 7.6 hereinafter; C) [...]; D) [...].

6. Furthermore, article 7.6 of the contract provides for the following: ‘[...] In a case during this Contract validity the Player is seriously injured in or out of the pitch or develop any health condition, which reasonably make it unable the Player’s further sportive career in the Club, the parties agree to terminate this contract with immediate effect’.
7. In addition, in September 2013 and in April 2014, several agents, allegedly on behalf of the player, tried to negotiate with Club A on the extension of the player’s contract. According to Club A, it refused the extension offers made by these player agents, because it did not want to offer the player an ‘exceptional high salary’ in comparison to the other players of the team.

8. On 3 July 2014, the player unilaterally terminated the contract, by sending a letter to Club A with the following contents: ‘I Player C hereby terminate my employment contract (contract) unilaterally as from 03.07.2014 par. 4 point 2 art.7, which is caused by my parents move to new place of residence (par: a) par. 2 art. 19 FIFA Regulations (on status and transfer) in the other country E for reason of military operations within the territory of region F and for reason of safe living impossibility’.

9. In July 2014, Club A apparently learned that the player had participated in a friendly match for the Club G from country E. Therefore, on 21 July 2014, Club A sent a letter to said club, informing it that Club A still had a valid employment contract with the player.

10. On 5 August 2014, Club A informed Club G, the player and the player’s agent in writing, that it considered the move of the player’s parents as an invalid reason for the unilateral termination of the contract. Further, Club A stated that it was willing to accept the player back until 11 August 2014 at the latest, and that, in the absence of the player’s return, it would consider that the player had unilaterally terminated the contract without just cause.

11. On 11 August 2014, the player’s agent informed Club A that between 17 July and 27 July 2014, the player was with Club G and that said club was ready to negotiate with Club A on a transfer of the player. In reply, on 14 October 2014, Club A informed Club G that it would lodge a claim against them, ‘as soon as there will be an ITC request’.

12. Furthermore, on 24 October 2014, the Club D from country E (hereinafter: Club D) requested Club A to provide an update about the contractual situation of the player, as well as an indication about the possible transfer price. In reply, Club A ‘invited Club D to return the player back’.

13. On 21 January 2015, Club D offered Club A to pay the amount of EUR 100,000 for a transfer of the player, however, Club A refused said proposal.
14. Moreover, on 10 February 2015, the Football Association of country E (hereinafter: *Football Association of country E*) requested the Football Federation of country B (hereinafter: *Football Federation of country B*) for the player’s ITC, for his transfer from Club A to Club D.

15. After the Football Federation of country B rejected the player’s ITC request, the Football Association of country E submitted a request for the provisional registration of the player before FIFA. On 4 March 2015, the Single Judge of the Player’s Status Committee of FIFA (hereinafter: *Single Judge*) rendered a decision, deciding that the player could be provisionally registered with Club D as per 6 March 2015.

16. On 1 February 2015, the player and Club D concluded an employment contract, valid for the period between 1 February 2015 and 15 December 2018, according to which the player was entitled to receive a monthly salary ‘excluding compensation, incentive and social benefits’ of 150,000 (approximately EUR 1,896 and approximately 33,660).

17. On 23 March 2015, Club A lodged a claim against the player and Club D in front of FIFA, claiming the following:

- to establish that the player breached the employment contract without just cause on 3 July 2014;
- to find the player and Club D jointly and severally liable for the payment of the amount of EUR 850,000, plus 5% interest p.a. as from 3 July 2014, as compensation for the breach of contract by the player on 3 July 2014;
- to sanction the player with a ban on playing in official matches for four months;
- to sanction Club D with a ban on registering any players, both at national and international level, for two consecutive registration periods.

18. As to the substance of the matter, Club A held that – following the unilateral termination of the contract by the player on 3 July 2014 – the player did not invoke ‘as a just cause lack of his own safety’, but only referred to his parents decision to move. Further, Club A holds that said circumstance cannot be considered as a just cause to terminate the contract and states that the player was not interested in a longer stay at Club A. In this respect, Club A held that the player never demonstrated that the ‘essential conditions of an objective or personal nature, under which the contract was concluded, were no longer present’.

19. In addition, Club A holds that there was indeed unrest in the region of region F as from March 2014 and that all players were released for summer holidays on 21 May...
2014. According to Club A, as from July 2014, ‘it became worse’. Therefore, on 1 July 2014, Club A decided to move its offices to city H (country B). Furthermore, Club A sustained that it could not reach the player to inform him about the move of its offices to city H, but that on the date of the termination of the contract by the player, i.e. 3 July 2014, the player ‘should have known that his team started the season in city H on 1.07.2014’.

20. Moreover, Club A holds that the unsafe situation in and around region F never affected the player and that, if the situation indeed was unsafe for players, more players should have terminated their contracts, which did not happen. Subsequently, Club A referred to a CAS award (CAS 2008/A/1621), which apparently concluded that ‘a general situation of troubles in a concrete place is not enough to justify a breach on the basis of exceptional circumstances as the force majeure’.

21. Based on the aforementioned circumstances, Club A holds that the player terminated the contract without just cause on 3 July 2014. With respect to the compensation of EUR 850,000, Club A explained that said amount is based on several criteria, in particular:

- the fees and expenses paid or incurred by the former club, as well as the remuneration and other benefits due to the player under the existing contract and/or the new contract and the time remaining under the existing contract;
- the fact that the player was a young and talented player;
- the fact that Club D offered Club A to pay a transfer compensation of EUR 100,000 for the player, as well as the fact that another player in the age of 17, was transferred from Club I to Club A for EUR 850,000;
- the fact that the breach of contract falls within the protected period.

22. In his reply to the claim, the player requested for the rejection of Club A’s claim, or, alternatively, that both he and Club D can only be held jointly liable for the payment of compensation for breach of contract in the amount of EUR 6,660.

23. The player argued that, because of the ongoing unrest in the region of region F as from 2014, he had to follow his parents, who decided to move from country B to country E. Further, the player held that he played his last match for the U-19 of Club A on 1 December 2013 and that after the winter break, he was not allowed to play for said youth team.

24. In addition, the player confirmed that a player’s agent negotiated on his behalf with Club A about the renewal of the contract, but that he was not aware of any financial proposals of said agent towards Club A.
25. In addition, the player stated that on 25 May 2014, he left country B together with his mother, ‘because of their safety hazard’. On 20 June 2014, according to the player, his mother sent a letter to Club A by means of which she informed Club A, that the player cannot attend the training camp starting on 23 June 2014. In this respect, the player's mother explained that because of ‘the current situation in country B in whole and in region J in particular’, the family will not return to country B and/or region F. In addition, the player’s mother thanked Club A for giving training to her son and stated that ‘if peace comes’, the player will probably return to Club A.

26. Subsequently, the player asserted that on 20 July 2014, he sent a termination letter to Club A, in which he unilaterally terminated the contract as per 3 July 2014, due to the move of his parents to country E, as a result of the military operations in the region of region F and safety reasons.

27. The player further argued that he did not respond to Club A’s requests to return, because after the termination of the contract, he had no contractual relation with Club A anymore. The player also confirmed, ‘sometime after 27 October 2014’, said circumstance to a club in country E, Club D, which was potentially interested in his services. Moreover, the player holds that on 21 January 2015, Club D informed Club A that it was willing to pay a ‘fair compensation for consideration of refusal from legal prosecution of the Player’.

28. According to the player, on 22 January 2015, Club A informed both him and Club D, that the contract between Club A and the player was terminated, as well as that it would request payment of compensation for breach of contract and sporting sanctions to be imposed on both the player and Club D.

29. In addition, the player explained that on 1 February 2015, he signed a new contract with Club D for the period between 1 February 2015 and 15 December 2018.

30. With regard to unilateral termination of the contract, the player held that he terminated the contract with just cause, based on the reason of ‘his life and health hazard in the region F’ and that he, as a minor, had to follow his family. The player argued that the political situation in the country B changed drastically, and that the military operations in the region F could not be foreseen. Therefore, according to the player, these military operations are to be considered as a force majeure, because they were outside of the control of the parties, could not be avoided by exercise of due care and the effects of it could not be prevented or limited by the player.
31. Furthermore, the player argued that allegedly 6 other players of Club A did not want to return to said club.

32. With respect to the claim of Club A for compensation for breach of contract, the player argued that this claim cannot be upheld, since he terminated the contract with just cause.

33. Furthermore, the player argued that – in the event the DRC would decide that he has to pay compensation to Club A – he doubts that the amount calculated by Club A is adequate and proportionate.

34. With reference to (a) the law of the country concerned, (b) the specificity of the sport, (c) the fees and expenses paid or incurred by the former club and (d) the residual value of the contract, the player maintained that the compensation cannot exceed the amount of EUR 6,660.

35. With respect to the amount of EUR 6,660 as maximum compensation, the player explained that on 1 July 2014, he earned the amount of 5,000 (approximately EUR 310) and that the residual value of the contract amounted to EUR 3,720 (12 x EUR 310). Furthermore, the player stated that his monthly salary at Club D amounted to 150,000 (approximately EUR 1,920) and that the residual value of the contract at Club D amounted to EUR 9,600 (5 x EUR 1,920). The player concluded that therefore, the maximum amount of compensation for breach of contract is (EUR 3,720 plus EUR 9,600) / 2 = EUR 6,660.

36. In addition, the player held that the sum of EUR 100,000 offered by Club D to Club A, as well as the alleged value of a player of the same age, cannot be taken into account by calculating the amount of compensation for breach of contract. This because said criteria are based on the principle of ‘positive interest’, existing under Swiss law, which does not apply to the merits of this case.

37. Finally, the player asked for the rejection of the requested sporting sanctions, because of:

- the fact that he was a minor and that this impeded his living separate from his parents;
- his monthly salary of 5,000 under the contract with Club A;
- the active military operations in the region F and;
- the fact that Club A had no real interest in the player’s services, since he was not allowed to play for Club A in the second part of the 2013/2014 season.
38. For its part, Club D requested that the claim of Club A be rejected, or, alternatively, that the player and Club D can only be held jointly liable to pay Club A compensation for breach of contract in the amount of EUR 6,660.

39. Club D confirmed that the player did not play in official matches of the U-19 of Club A after the 2013/2014 season’s winter break, that the player left country B on 25 May 2014 together with his mother, as well as that on 3 July 2014, the contract with Club A was terminated.

40. Furthermore, Club D argued that it tried to negotiate with Club A on a transfer of the player, but that it was informed by Club A that the player had a valid contract and that it wanted the player to return to country B. According to Club D, on 22 January 2015, it was informed by Club A that the player unilaterally terminated the contract without just cause on 3 July 2014. In reply thereto, Club D apparently offered to pay a ‘fair compensation’ for the transfer of the player.

41. With respect to the requested sporting sanctions, Club D held that - since there is a period of almost 7 months between the termination of the contract on 3 July 2014 and the conclusion of the new employment agreement between Club D and the player on 1 February 2015 – it is not connected to the termination of the contract by the player. As a result, Club D held that no sporting sanctions can be imposed on it.

42. In addition, Club D stressed that it was not the first club who tried to enter into an employment contract with the player and that already in August 2014, the Club G from country E tried to conclude an employment agreement with the player. Further, on 22 January 2015, Club A confirmed that the Club K from country L was also interested in the player’s services. This leads Club D to the conclusion that it never ‘enticed the Player to terminate the contract with Club A’.

43. In its replica, Club A stated that the player’s allegations are not accurate and argued that on 25 February 2014, the player participated in a UEFA Youth League match against Club M. Further, Club A held that the player was also in the list of some ‘important matches of U-19 Championship of country B in March 2014’, but that he was not fielded due to a decision of the coach.

44. According to Club A, it tried to extend the contract of the player, but this turned out to be impossible, due to the ‘destructive position of his agents’.

45. Moreover, Club A stated that it doubts the accuracy of the player’s allegation that he could not live apart from his mother. In this respect, Club A held that the player at the age of 11 already lived 500 kilometres away from the place where his mother lived, and that ‘in the same age, the player moved to Club A academy without his
family (600 kilometres from city N)'. Further, Club A sustained that the player's move to country E was more a rather prepared step, than an urgent need caused by the life hazard, because of the interest of the player’s agent interest to bring him to a club from country E.

46. With respect to the requested compensation for breach of contract, Club A argued that the player is a talented young player, who already played 7 matches for the first team of Club D in the 2014/2015 season and 1 match (until 3 August 2015) in the 2015/2016 season. Furthermore, Club A held that the player was named in the list of 10 best players of the U-19 UEFA Europe Championship 2015. Club A argued that ‘according to www.transfermarkt.de, Player C is in the middle of the Club D players transfer prices with the transfer value of 650,000 Euro’.

47. In his duplica, the player confirms that he played in the game against Club M on 25 February 2014, but that Club A afterwards never fielded him anymore. Therefore, according to the player, Club A was no longer interested in his services. Further, the player reiterated that he was not aware of any exact financial requests made by his agents.

48. Furthermore, the player held that Club A did not provide evidence that he had other reasons to move to country E, other than the fact that he had to follow his family. The player further referred to the ‘widespread fact’ that many people from country B left the region F and moved to regions that are more peaceful. Finally, the player held that his mother did not want to leave her son in a country with a difficult political situation, without a permanent home and with a small monthly salary of 5,000.

49. Additionally, the player maintained that the alleged fact that he was listed on the list of 10 best players of the U-19 UEFA European Championship 2015, cannot serve as basis to determine the amount of compensation for breach of contract, if any.

50. In conclusion, the player reiterated his requests as stated in his first reply.

51. In its duplica, Club D reiterated its position and held that Club A in its replica did not provide any information of documents that could be of influence to the matter at hand.

52. On 16 September 2015, the FIFA administration duly informed the parties that the investigation-phase of the matter at hand had been concluded and that no further submissions from the parties would be admitted to the file.
53. On 19 October 2015, Club A submitted unsolicited correspondence to FIFA, stating that on 12 October 2015, the player participated in a match of the National team ‘A’ of country B, as well as by arguing that Club D made comments in the media of country E, before FIFA’s DRC rendered its decision.

54. On 21 October 2015, the FIFA administration duly informed the parties that it would be up to the DRC to decide whether or not it would take into account Club A’s unsolicited correspondence.

II. Considerations of the Dispute Resolution Chamber

1. First of all, the Dispute Resolution Chamber (hereinafter also referred to as Chamber or DRC) analysed whether it was competent to deal with the matter at hand. In this respect, it took note that the present matter was submitted to FIFA on 23 March 2015. Consequently, the Rules Governing the Procedures of the Players’ Status Committee and the Dispute Resolution Chamber (edition 2014; hereinafter: Procedural Rules) are applicable to the matter at hand (cf. art. 21 of the Procedural Rules).

2. Subsequently, the members of the Chamber referred to art. 3 par. 1 of the Procedural Rules and confirmed that in accordance with art. 24 par. 1 in combination with art. 22 lit. b of the Regulations on the Status and Transfer of Players (edition 2016), the Dispute Resolution Chamber is competent to deal with the matter at stake, which concerns an employment-related dispute with an international dimension between a club from country B, a player from country B and a club from country E.

3. Furthermore, the Chamber analysed which regulations should be applicable as to the substance of the matter. In this respect, it confirmed that in accordance with art. 26 par. 1 and 2 of the Regulations on the Status and Transfer of Players (edition 2016), and considering that the present claim was lodged on 23 March 2015, the 2014 edition of said regulations (hereinafter: Regulations) is applicable to the matter at hand as to the substance.

4. The competence of the Chamber and the applicable regulations having been established, the Chamber entered into the substance of the matter. In this respect, the Chamber started by acknowledging all the above-mentioned facts as well as the arguments and the documentation submitted by the parties. However, the Chamber emphasised that in the following considerations it will refer only to the facts, arguments and documentary evidence, which it considered pertinent for the assessment of the matter at hand.
5. In this respect, the DRC acknowledged that the player and Club A entered into an employment contract, valid as from 15 July 2013 until 30 June 2015, according to which the player was entitled to receive a monthly salary of 4,000 between 15 July 2013 and 30 June 2014, as well as a monthly salary of 5,000 between 1 July 2014 and 30 June 2015.

6. Furthermore, the members of the Chamber noted that Club A, on the one hand, maintains that the employment contract was terminated by the player without just cause on 3 July 2014, since the reason brought forward by the player, i.e. the decision of his parents to move to country E, cannot be considered as a just cause for the player to terminate the contract. The DRC further noted that the player, on the other hand, rejects such claim and stated that he actually terminated the contract based on safety reasons, because of the ongoing military operations in the area where he lived and where Club A was based.

7. Subsequently, the Chamber noted that the player maintains that on 25 May 2014, he left country B with his mother and that - after informing Club A on 20 June 2014 that he would not attend Club A’s training camp starting on 23 June 2014 – he terminated the contract as per 3 July 2014, due to the political unrest in the region J, where Club A’s offices were based until 1 July 2014. The DRC observed that the player holds that since his mother decided to move to country E, he, as a minor, had to follow his family. As a result thereof, the player argues that he had a just cause to terminate the contract, based on a force majeure situation, in particular, due to the political unrest in country B as from May 2014.

8. Club A, on the other hand, stated that the player breached the relevant employment contract by leaving country B for an indefinite period of time and by invoking the political situation in country B as the reason for the termination of the contract. In this respect, Club A further put forward that its offices were moved to a safer area in country B and that the player should have been aware of this. Finally, Club A argued that the decision of the mother to move to country E, is not a just cause for the player to terminate his contract.

9. In view of the above, the Chamber highlighted that the underlying issue in this dispute, considering the conflicting positions of the parties, was to determine whether the employment contract had been prematurely and unilaterally terminated with or without just cause by the player. The DRC also underlined that, subsequently, if it were found that the employment contract was breached without just cause, it would be necessary to determine the consequences for the party that is to be held liable for the breach of the employment contract without just cause. In particular, the members of the Chamber considered that, essentially, the player and Club A have divergent positions on what the consequences of the move of the player from the country B to country E should be. In this context, it was for the
Chamber to examine whether the decision of the player to leave country B was justified, considering the circumstances of the present matter.

10. In continuation, the Chamber, first and foremost, acknowledged that it has remained undisputed that the player, as well as other players of Club A, were sent on holidays as from 21 May 2014 and that on 1 July 2014, Club A moved its offices to a safer area in country B. In addition, the members of the Chamber noted that it remained undisputed that Club A could not get in contact with the player, as well as that the player unilaterally terminated the contract on 3 July 2014. These circumstances form the basis of the claim for breach of contract put forward by Club A.

11. At this stage, the members of the Chamber deemed appropriate to remark the general principle that the contracts are concluded to be respected, otherwise, consequences have to be assumed by the relevant party. Further, the DRC took into consideration the content of art. 14 of the Regulations, which provides that “a contract may be terminated by either party without consequences of any kind (either payment of compensation or imposition of sporting sanctions) where there is just cause”.

12. The Chamber stressed that the definition of just cause and whether just cause exists shall be established in accordance with the merits of each particular case.

13. Furthermore, the Chamber recalled its longstanding and well established jurisprudence which indicates that only a breach or misconduct which is of a certain severity justifies the termination of a contract. In other words, only when there are objective criteria which do not reasonably permit to expect a continuation of the employment relationship between the parties, a contract may be terminated prematurely. Hence, if there are more lenient measures which can be taken in order for an employer to ensure the employee’s fulfillment of his contractual duties, and vice versa, such measures must be taken before terminating an employment contract. A premature termination of an employment contract can only ever be an *ultima ratio* measure.

14. With the above in mind, the Chamber highlighted that, in order to better address the disputed points, it had to consider all the relevant circumstances of this specific matter. In doing so, the Chamber first turned its attention to the political unrest in country B, which fact has remained undisputed between the parties. The Chamber noted that Club A sent its players on holidays on 21 May 2014, and afterwards made the decision to move its offices as per 1 July 2014 from region F to city H, which place was considered to be safer than region F. In this respect, it further can be noted that apparently Club A tried to contact the player in order to inform him about the changed situation, however, according to Club A, to no avail.
15. Furthermore, the Chamber noted that it could be established from the information and documentation on file, that the player left country B on 25 May 2014 and that on 20 June 2014, his mother sent a letter to Club A, stating that the player was obliged to attend a training camp starting on 23 June 2014 in region F, but that given the circumstances in country B, the player would not attend such training camp. Following said circumstances, the members of the Chamber noted that the player – via his mother - only informed Club A that he would not participate in its training camp, and therefore did not request any further instructions from Club A on how he could possibly fulfil his further contractual obligations, given the fact that player was apparently aware of his obligation under the contract to join the team for a training camp. The Chamber also emphasized that the player further remained passive towards Club A, until he unilaterally terminated the contract on 3 July 2014 and that this termination was only based on the decision of his parents to move to country E.

16. As to the events occurring in June 2014, the Chamber recalled that the premature termination of a contract can only be an ultima ratio measure, and that the player is obliged to take all possible measures to ensure that the contract concluded between the parties could be fulfilled. In this respect, the Chamber duly acknowledged that the player, instead of contacting Club A in order to discuss on a possible solution, preferred to inform Club A that he would not take part in the training camp, just to thereafter terminate the contract on 3 July 2014.

17. After a thorough examination of all the given circumstances, the Chamber did not concur with the conclusion of the player that he had a just cause to terminate the contract. In particular, the Chamber deemed that the sole fact that there was political unrest in country B, as well as the fact that the player’s mother decided to move to country E, does not automatically lead to the conclusion that the contract between Club A and the player could no longer be executed; it was also the player’s responsibility to contact Club A, in order to discuss whether there could be found a solution for the situation in which the player considered it impossible to fulfil his contractual duties, given the fact that he was the party unwilling to further comply with his contractual obligations.

18. In particular, the Chamber recalled that as early as 1 July 2014, Club A had moved its offices to a safer part of country B. Therefore, if the player would have acted with the slightest diligence that can be expected from a party interested in continuing an employment contract, he would have contacted Club A before terminating the contract and he would have learned about Club A’s offices move. Moreover, the DRC was not convinced by the player’s argument that apparently he was forced to move to country E with his mother. Indeed, the player did not dispute Club A’s allegations that already when he was 11 years old, the player moved to Club A without his family. As a result, the Chamber was of the unanimous opinion that the
player’s decision to leave Club A and country B, and to terminate the contract on 3 July 2014 was a disproportionate measure in light of the circumstances.

19. What is more, the Chamber pointed out that it is undisputed that Club A complied with all its contractual obligations.

20. Based on all the aforementioned the Chamber considered that the player had terminated the contract without just cause by means of the letter dated 3 July 2014.

21. As a consequence to the aforementioned conclusion, the DRC established that, in accordance with art. 17 par. 1 of the Regulations, the player is liable to pay compensation to the Claimant for breach of contract. Furthermore, in accordance with the unambiguous contents of art. 17 par. 2 of the Regulations, the Chamber established that the player’s new club, i.e. Club D, shall be jointly and severally liable for the payment of compensation. In this respect, the Chamber was eager to point out that the joint liability of the player’s new club is independent from the question as to whether the new club has committed an inducement to contractual breach or any other kind of involvement by the new club. This conclusion is in line with the well-established jurisprudence of the Chamber that was repeatedly confirmed by the Court of Arbitration for Sport (CAS).

22. Having stated the above, the Chamber focussed its attention on the calculation of the amount of compensation for breach of contract in the case at stake. In doing so, the members of the Chamber firstly recapitulated that, in accordance with art. 17 par. 1 of the Regulations, the amount of compensation shall be calculated, in particular and unless otherwise provided for in the contract at the basis of the dispute, with due consideration for the law of the country concerned, the specificity of sport and further objective criteria, including in particular the remuneration and other benefits due to the player under the existing contract and/or the new contract, the time remaining on the existing contract up to a maximum of five years as well as the fees and expenses paid or incurred by the former club (amortised over the term of the contract) and whether the contractual breach falls within a protected period. The DRC recalled that the list of objective criteria is not exhaustive and that the broad scope of criteria indicated tends to ensure that a just and fair amount of compensation is awarded to the prejudiced party.

23. In application of the relevant provision, the Chamber held that it first of all had to clarify as to whether the pertinent employment contract contains a provision by means of which the parties had beforehand agreed upon an amount of compensation payable by the contractual parties in the event of breach of contract. In this regard, the Chamber established that the contract contains in article 7.3.1 and 7.3.2 a clause regarding the consequences of a unilateral termination of the contract without just cause by one of the parties.
24. In view of the aforementioned clauses, the members of the Chamber determined that the amount of compensation payable in the case at stake had to be assessed in application of art. 17 par. 1 of the Regulations. The Chamber recalled that said provision provides for a non-exhaustive enumeration of criteria to be taken into consideration when calculating the amount of compensation payable. Therefore, other objective criteria may be taken into account at the discretion of the deciding body. In this regard, the Dispute Resolution Chamber stated beforehand that each request for compensation for contractual breach has to be assessed by the Chamber on a case-by-case basis taking into account all specific circumstances of the respective matter.

25. In order to estimate the amount of compensation due to the Claimant in the present case, the members of the Chamber first turned their attention to the financial terms of the former contract and the new contract, the value of which constitutes an essential criterion in the calculation of the amount of compensation in accordance with art. 17 par. 1 of the Regulations. The members of the Chamber deemed it important to emphasise that the relevant compensation should be calculated based on the average fixed remuneration, i.e. excluding any conditional or performance related payment, agreed by the player with his former club and his new club, as well as considering the period of time remaining on the contract signed between the player and the former club.

26. Bearing in mind the foregoing, the Chamber proceeded with the calculation of the fixed remuneration payable to the player under the terms of both the employment contract signed with Club A and the employment contract signed with Club D, for the period of 12 months that was remaining since the unilateral termination of the contract by the player until its expiry, i.e. from 3 July 2014 until 30 June 2015.

27. In this regard, the Chamber noted that, as per the employment contract signed with Club A, the player was entitled to a monthly salary in the amount of 5,000 for the remaining contractual period, i.e. a total fixed remuneration of 60,000.

28. In continuation, the DRC equally took note of the player's monthly remuneration under the terms of his employment contract with his new club, i.e. Club D, which corresponds to 150,000 or approximately 33,660, i.e. the total amount of 403,920 for the months from July 2014 until June 2015.

29. Taking into account the above, the Chamber concluded that, for the relevant period, the player's average remuneration amounts to 232,000.

30. Having stated the above, the DRC recalled that the remuneration paid by the player's new club is particularly relevant in so far as it reflects the value attributed to his services by his new club at the moment the breach of contract occurs and possibly also provides an indication towards the player’s market value at that time.
31. In this context, taking into account the request of Club A and its allegations regarding the possible value of the player, the members of the Chamber agreed that the amount of EUR 850,000, which was put forward by Club A in its claim maintaining that it would have accepted to negotiate the player’s transfer on the basis of such amount, as well as the amount of EUR 100,000, which Club D apparently offered to pay for the transfer of the player, could not be accepted as objective criteria on which the calculation of the amount of compensation could be based, due to the lack of evidence provided.

32. Taking into account all the aforementioned objective elements in the matter at hand, the Dispute Resolution Chamber decided that the total amount of 232,000 was to be considered reasonable and justified as compensation for breach of contract in the case at hand.

33. As a consequence, the Chamber decided that the player has to pay the amount of 232,000 as compensation for breach of contract to Club A, plus interest of 5% p.a. as of 23 March 2015 until the date of effective payment, taking into account the request of Club A and the Chamber’s constant jurisprudence in this regard.

34. Furthermore, the Chamber decided that, in accordance with art. 17 par. 2 of the Regulations, Club D shall be jointly and severally liable for the payment of the aforementioned amount of compensation.

35. The Dispute Resolution Chamber concluded its deliberations in the present matter by establishing that any further claims lodged by Club A are rejected.

III. Decision of the Dispute Resolution Chamber

1. The claim of the Claimant, Club A, is partially accepted.

2. The Respondent 1, Player C, has to pay to the Claimant, within 30 days as from the date of notification of this decision, compensation for breach of contract in the amount of 232,000, plus 5% interest p.a. on said amount as from 23 March 2015 until the date of effective payment.

3. In the event that the amount due to the Claimant in accordance with the abovementioned number 2. is not paid within the stated time limit, the present matter shall be submitted, upon request, to the FIFA Disciplinary Committee for consideration and a formal decision.

4. The Respondent 2, Club D, is jointly and severally liable for the payment of the amount in accordance with the abovementioned number 2.
5. Any further claim lodged by the Claimant is rejected.

6. The Claimant is directed to inform the Respondent 1 and the Respondent 2 immediately and directly of the account number to which the remittance is to be made and to notify the Dispute Resolution Chamber of every payment received.

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Note relating to the motivated decision (legal remedy):

According to art. 58 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:

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For the Dispute Resolution Chamber:

Marco Villiger
Deputy Secretary General

Encl. CAS directives