

# **Decision of the Single Judge of the Players' Status Committee**

passed in Zurich, Switzerland, on 28 September 2016,

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 between the parties relating to the  
Player E

## **I. Facts of the case**

1. On 5 January 2016, 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 contract*) for the transfer of the Player E (hereinafter: *the player*) from the Claimant to the Respondent.
2. According to clause 2 of the contract, the Respondent undertook to pay to the Claimant a total fixed compensation in the amount of EUR 800,000, payable as follows:
  - i. *“EUR 500,000 on the signing date of the contract;*
  - ii. *EUR 300,000 on 30<sup>th</sup> June 2016. Should this amount not be paid on the next 15 days from the date, Club C [i.e. the Respondent] would be obliged to pay the amount of EUR 150,000 as compensation, i.e. the total amount to be paid in this case would be EUR 450,000”.*
3. On 19 July 2016, the Claimant lodged a claim with FIFA against the Respondent requesting the payment of the second instalment amounting EUR 450,000 as well as *“financial costs and interests from 15 July 2016 until the effective payment”*. In this respect, the Claimant alleged that the Respondent, although it had paid the first instalment, had subsequently failed to pay the second instalment amounting to EUR 300,000, triggering also the compensation established in clause 2 of the contract in the amount of EUR 150,000. The Claimant further explained to have requested the Respondent several times to proceed with the payment by means of two correspondences dated 30 June and 7 July 2016 respectively. Additionally, the Claimant explained that the Respondent contacted them on 10 July 2016, offering to pay the amount of EUR 300,000 in several instalments, however such offer was refused by the Claimant due to the difficult financial situation.
4. Despite having been invited to do so by FIFA, the Respondent did not reply to the claim lodged against it.

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

1. First of all, the Single Judge of the Players' Status Committee (hereinafter: *the Single Judge*) analysed which edition of the Rules Governing the Procedures of the Players' Status Committee and the Dispute Resolution Chamber (hereinafter: *Procedural Rules*) were applicable to the matter at hand. In this respect, he referred to art. 21 of the Procedural Rules as well as to the fact that the present matter was submitted to FIFA on 19 July 2016. Therefore, the Single Judge concluded that the 2015 edition of the Procedural Rules is applicable to the matter at hand.
2. Subsequently, the Single Judge analysed which edition of the Regulations on the Status and Transfer of Players is 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 Regulations on the Status and Transfer of Players and, on the other hand, once again to the fact that the claim was lodged in front of FIFA on 19 July 2016. In view of the foregoing, the Single Judge concluded that the 2016 edition of the Regulations on the Status and Transfer of Players (hereinafter: *the Regulations*) is applicable to the case at hand.
3. Furthermore, the Single Judge confirmed that, on the basis of art. 3 par. 1 and par. 2 of the Procedural Rules in connection with art. 23 par. 1 and par. 3 as well as art. 22 lit. f) of the Regulations, he was competent to deal with the present matter since it concerned a dispute between clubs affiliated to two different associations.
4. The competence of the Single Judge and the applicable regulations having been established, and entering into the substance of the matter, the Single Judge started by acknowledging that the Respondent had not submitted any comments in response to the claim lodged against it by the Claimant despite having been asked to do so by FIFA.
5. Therefore, the Single Judge concluded that in this way the Respondent had renounced to its right of defence and thus it had to be assumed that it had accepted the allegations of the Claimant.
6. Bearing in mind the aforementioned, the Single Judge referred to art. 9 par. 3 of the Procedural Rules and pointed out that in the present matter a decision shall be taken upon the basis of the documents on file, in other words, upon the allegations and documents provided by the Claimant.

7. Having said this, the Single Judge started his analysis by acknowledging that the parties had signed a transfer agreement (hereinafter: the contract) on 5 January 2016 for the temporary transfer of the player from the Claimant to the Respondent for the total amount of EUR 800,000, payable in two instalments of EUR 500,000 at the signature of the contract as well as of EUR 300,000 on 30 June 2016, respectively. In addition, the Single Judge observed that the parties had agreed in the contract that in case the mentioned second instalment would not be paid on the next 15 days from the due date, "*Club C [i.e. the Respondent] would be obliged to pay the amount of EUR 150,000 as compensation, i.e. the total amount to be paid in this case would be EUR 450,000*".
8. Having established the aforementioned, the Single Judge took note that the Claimant maintained that the Respondent had failed to pay the second instalment amounting to EUR 300,000 and, therefore, requested the total amount EUR 450,000 in accordance with clause 2 of the contract. Additionally, the Single Judge noted that the Claimant had requested as well interest on said amount from 15 July 2016 until the effective payment.
9. On account of the aforementioned considerations, the Single Judge established that considering the clear wording of clause 2 of the contract as well as the failure by the Respondent to pay the second instalment to the Claimant within the given deadline, the amount due to the Claimant amounted to EUR 450,000. Consequently, the Single Judge concluded that, in accordance with the general legal principle of "*pacta sunt servanda*", which in essence means that agreements must be respected by the parties in good faith, the Respondent is liable to pay the Claimant the amount of EUR 450,000.
10. In continuation, the Single Judge addressed the remaining requests of the Claimant, namely, its request that the Respondent should be condemned to pay interest on the requested amount.
11. In this regard and in accordance with the constant and longstanding jurisprudence, the Single Judge determined that the Respondent has to pay to the Claimant the total amount of EUR 450,000, plus an interest at a rate of 5% per year on the said amount as from 16 July 2016 until the date of effective payment.
12. 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 proceedings before the Players' Status Committee including its Single Judge, costs in the maximum amount of CHF 25,000 are levied. The relevant provision further states that 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).

13. In respect of the above, taking into account that the Claimant's claim is partially accepted and that the Respondent is the party at fault, the Single Judge concluded that the Respondent has to bear the costs of the current proceedings before FIFA.
14. 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. On that basis, the Single Judge held that the amount to be taken into consideration in the present proceedings is EUR 450,000. Consequently, the Single Judge concluded that the maximum amount of costs of the proceedings corresponds to CHF 25,000.
15. In conclusion, considering the particularities of the present matter and the fact that the Respondent did not answer to the present complaint, the Single Judge determined the costs of the current proceedings to the amount of CHF 25,000. Furthermore, and in line with his aforementioned considerations and taking into account the degree of success and the lack of the reply to the claim by the Respondent within the granted deadline, the Single Judge decided that the amount of 25,000 has to be paid by the Respondent.

\*\*\*\*\*

### 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 amount of EUR 450,000 as well as 5% *p.a.* on the said amount from 16 July 2016 until the date of effective payment.
3. Any further claims lodged by the Claimant, Club A, are rejected.
4. If the aforementioned amount, plus interest as established above, 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 25,000 are to be paid by the Respondent, Club C, **within 30 days** as from the date of notification of this decision, as follows:

- 5.1 The amount of CHF 20,000 has to be paid to FIFA to the following bank account with reference to case nr. 16-01286/itr:

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 Players' Status Committee of every payment received.

\*\*\*\*\*

**Note relating to the motivated decision** (legal remedy):

According to article 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:

Court of Arbitration for Sport  
Avenue de Beaumont 2  
1012 Lausanne - Switzerland  
Tel: +41 21 613 50 00  
Fax: +41 21 613 50 01  
e-mail: [info@tas-cas.org](mailto:info@tas-cas.org)  
[www.tas-cas.org](http://www.tas-cas.org)

For the Single Judge of the  
Players' Status Committee

---

Marco Villiger  
Deputy Secretary General

Encl. CAS Directives