CAS 2019/A/6129 US Città di Palermo v. FIFA

ARBITRAL AWARD

delivered by the

COURT OF ARBITRATION FOR SPORT

sitting in the following composition:

President:	Mr Sofoklis P. Pilavios, Attorney-at-law in Athens, Greece
Arbitrators:	Mr Pavel Pivovarov, Attorney-at-law in Saint Petersburg, Russian Federation
	Mr Lars Hilliger, Attorney-at-law in Copenhagen, Denmark

in the arbitration between

US Città di Palermo, Palermo, Italy

Represented by Mr Paolo Lombardi, Lombardi Associates Limited, Edinburgh, UK

Appellant

and

Fédération Internationale de Football Association (FIFA), Zurich, Switzerland

Represented by Ms Marta Ruiz-Ayucar and Mr Stefan Privee, Legal Counsel

Respondent

I. PARTIES

1. US Città di Palermo is a professional football Club with its registered office in Palermo, Italy (the "Appellant" or the "Club"). The Club is affiliated to the Italian Football Association, which, in turn, is a member of the Fédération Internationale de Football Association.

2. The Fédération Internationale de Football Association is the international federation governing the sport of football worldwide, based in Zurich, Switzerland (the "Respondent" or "FIFA").

II. FACTUAL BACKGROUND

A. Background Facts

3. Below is a summary of the main relevant facts and allegations based on the parties' written submissions and evidence adduced. Additional facts and allegations found in the parties' written submissions and evidence may be set out, where relevant, in connection with the legal discussion that follows. While the Panel has considered all the facts, allegations, legal arguments and evidence submitted by the parties in the present proceedings, it refers in its Award only to the submissions and evidence it considers necessary to explain its reasoning.

4. On 7 May 2014, the Single Judge of the FIFA Player's Status Committee rendered a decision rejecting the claim lodged by the Player's Agent Mr Horacio Luis Rolla ("Agent") against the Club, by means of which he sought payment of outstanding commission in the amount of EUR 850,000, plus interest, on the basis of a Representation Agreement between them.

5. On 18 September 2014, the Agent filed an appeal with the Court of Arbitration for Sports ("CAS") against the decision of the Single Judge of the FIFA Player's Status Committee of 7 May 2014 and, thus, initiated appeal proceedings under the reference CAS 2014/A/3755.

6. On 15 June 2015, the Agent and the Club submitted to CAS a Settlement Agreement dated 25 May 2015, and duly signed by the parties, by means of which they purported to settle the dispute and to terminate the CAS proceedings (the "Settlement Agreement"). The Settlement Agreement contained, amongst others, the following terms:

" [...]*1.1. Palermo and the Agent hereby terminate the CAS Proceedings by settling the Dispute according to the terms of this Agreement.*

1.2. To the full and final settlement of any and all claims pertaining to the Representation Agreement, the Dispute and the CAS Proceedings, Palermo shall pay the Agent the amount of EUR 1,000,000 (one million euros) ("Settlement Amount"), inclusive of applicable default interest, arbitration costs and expenses, and without any deduction or set off. For the sake of clarity, this amount corresponds to the amount of EUR 850,000 claimed by the Agent, plus 5% per annum default interest calculated as of the due dates of the

payments relevant to the transfer at the basis of the dispute, plus a contribution towards the legal expenses borne by the Agent in the FIFA proceedings.

1.3 The Agent irrevocably acknowledges that upon receipt of the Settlement Amount, he has no further claim in connection with the Representation Agreement, the Dispute, the CAS proceedings, this Agreement or any other previous agreement between the parties relating to the Dispute.

1.4 The parties expressly agree that all costs of the CAS proceedings, which will be defined by CAS in the Consent Award or afterwards, are to be borne by the Agent (CAS will reimburse the Agent all procedural costs not used) and are included in the Settlement Amount. However, each party will bear its own costs regarding any legal fees and any kind of expenses incurred with respect to the CAS proceedings.

1.5 It is also agreed that the Agent will cover all costs of the proceedings before FIFA, as determined in the FIFA Decision.

1.6. The parties expressly agree, acknowledge and accept that they have fully settled the Dispute and the CAS Proceedings with the agreement for the payment by Palermo of the Settlement Amount according to the terms above.

1.7 The present Agreement shall take the form of a CAS Consent Award.

1.8 Palermo's failure to respect the CAS Consent Award will result in the Agent requesting its enforcement to the FIFA Disciplinary Committee pursuant to article 64 of the FIFA Disciplinary Code. In this respect, Palermo hereby confirms and accepts that the consent award may be enforced by means of article 64 of the FIFA Disciplinary Code and that, accordingly, in case of non – fulfilment of its obligations, disciplinary sanctions may be imposed by FIFA. [....]"

7. On 22 July 2015, CAS rendered a consent award in the proceedings CAS 2014/A/3755, which ratified and incorporated the terms of the Settlement Agreement between them (the "CAS Consent Award"). The CAS Consent Award contained the following operative part:

"*1. The Settlement Agreement submitted to the CAS Court Office by the parties on 15 June 2015 is hereby ratified by the CAS with the consent of the parties and its terms are incorporated into this arbitral award.*

2. The terms of the Settlement Agreement replace the decision of the Player's Status Committee of the Fédération Internationale de Football Association of 7 May 2014.

3. In accordance with the Settlement Agreement, the arbitration costs, to be determined and served to the parties by the CAS Court Office, shall be borne by Mr Horacio Luis Rolla in their entirety.

4. In accordance with the Settlement Agreement, each party shall bear its own costs and other expenses incurred in connection with this arbitration.

5. All other motions or prayers for relief are dismissed."

B. Proceedings before the FIFA Disciplinary Committee

8. On 21 March 2016, and further on 4 August 2016 and on 20 February 2017, the Agent informed the FIFA Players' Status Committee that the Club failed to pay him the amount of EUR 1,000,000, as per the terms of the Settlement Agreement and within the time limit stipulated in the CAS Consent Award, which was set for 1 March 2016.

9. On 6 July 2017, the FIFA Players' Status Committee informed the parties that the case would be forwarded to the FIFA Disciplinary Committee.

10. On 8 March 2018, the Secretariat to the FIFA Disciplinary Committee opened disciplinary proceedings against the Club and ordered it to pay the outstanding amounts to the Agent under the CAS Consent Award by 22 March 2018. The Appellant was informed that in the event it failed to pay the required amounts, the case would be submitted to a member of the FIFA Disciplinary Committee for consideration and a formal decision.

11. On 15 March 2018, the Appellant requested a suspension of the disciplinary proceedings or, alternatively an extension to the deadline set for payment by 30 June 2018.

12. On 29 August 2018, in view of the fact that the Appellant had still not paid the amounts due to the Agent, the Secretariat ordered the Appellant to pay all outstanding amounts and to provide a copy of proof of payment by 12 September 2018.

13. On 12 September 2018, the Appellant informed the Secretariat that the parties were discussing a payment plan and, in any event, requested a grace period of at least 90 days to pay the amounts due in case a formal Decision would be issued on the matter.

14. On 17 September 2018, the Secretariat invited the Agent to confirm whether an agreement had been concluded between the parties, drawing attention to the contents of the FIFA Circular n. 1628 dated 9 May 2018, according to which the conclusion of an agreement between the parties would automatically lead to the closure of the disciplinary proceedings. That same day the Agent informed the Secretariat that no discussions and no agreement had been concluded between the parties.

15. On 25 September 2018, the Appellant informed the Secretariat that it had made a partial payment to the Agent in the amount of EUR 200,000 and requested an extension of 90 days to complete the payment of the remaining amount.

16. On 1 October 2018, the Agent confirmed receipt of the amount of EUR 200,000 and reiterated that since no agreement had been reached, the Disciplinary Committee should issue a decision on the matter.

17. On 10 October 2018, the Appellant informed the Secretariat that, due to financial difficulties, it was not in a position to pay the remainder amount owed to the Agent prior to the issuance of a decision of the Disciplinary Committee, but claimed that in any event it would continue making payments.

18. On 19 October 2018, the FIFA Disciplinary Committee passed decision No 170938 PST ITA ZH on the matter (the "Appealed Decision") with, *inter alia*, the following operative part:

"*1. The club US Città di Palermo (hereinafter, the Debtor) is found to have infringed art. 64 of the FIFA Disciplinary Code as it is guilty of failing to comply in full with the consent award ratified by the CAS on 22 July 2015, according to which it agreed to pay:*

- *To the Players Agent Horacio Luis Rolla (hereinafter, the Creditor)*

  EUR 1,000,000 inclusive of applicable default interest and without any deduction or set off.

In particular, the Debtor only paid a partial amount to the Creditor (EUR 200,000).

2. The Debtor is ordered to pay a fine to the amount of CHF 30,000. The fine is to be paid within 90 days of notification of the present decision (...).

3. The Debtor is granted a final deadline of 90 days as from notification of the present decision in which to settle its debt to the Creditor.

4. If payment is not made to the Creditor and proof of such payment is not provided to the secretariat to the FIFA Disciplinary Committee and to the Italian football Association by this deadline, six (6) points will be deducted automatically by the Italian Football Association without a further formal decision having to be taken nor any order to be issued by the FIFA Disciplinary Committee or its secretariat.

5. If the Debtor still fails to pay the amount due to the Creditor even after the deduction of points in accordance with point 4 above, the FIFA Disciplinary Committee, upon request of the Creditor, will decide on a possible relegation of the Debtor's first team to the next lower division.

6. As a member of FIFA, the Italian Football Association is reminded of its duty to implement this decision and provide FIFA with proof that the points have been deducted in due course. If the Italian Football Association does not comply with this decision, the FIFA Disciplinary Committee will decide on appropriate sanctions on the member. This can lead to an expulsion form FIFA competitions.

7. ...

8. ...

9. ..."

19. On 9 January 2019, the grounds of the Appealed Decision were communicated to the parties.

20. In passing its judgment, the FIFA Disciplinary Committee determined, *inter alia*, the following:

- The Committee observes that during the appeal proceedings before CAS, the parties concluded a Settlement Agreement on 25 May 2015, which was ratified by the CAS on 22 July 2015. Therefore, the decision of CAS became final and binding.

- The Committee is not allowed to analyse the case decided by CAS as to the substance, in other words, to check the correctness of the amount ordered to be paid, but has as a sole task to analyse if the debtor complied with the final and binding decision rendered by the CAS.

- In that regard, the Committee has taken into consideration the partial payment made by the debtor. Nevertheless, the Committee emphasises that, despite said payment, an outstanding amount remains due to the creditor.

- As the debtor did not fully comply with the consent award rendered by the CAS on 22 July 2015 and is consequently withholding money from the creditor, it is considered guilty under the terms of article 64 of the FDC.

III. PROCEEDINGS BEFORE THE COURT OF ARBITRATION FOR SPORT

21. On 30 January 2019, the Appellant filed a statement of appeal with the CAS pursuant to Article R48 of the CAS Code of Sports-related Arbitration (the "Code") with respect to the Appealed Decision. In its statement of appeal, the Appellant nominated Mr Pavel Pivovarov, Attorney-at-law, in Saint Petersburg, Russian Federation, as arbitrator in these proceedings.

22. On 18 February 2019, FIFA suggested that the matter could be decided upon by a Sole Arbitrator and requested the CAS to refer the matter to a sole arbitrator from the football list.

23. On 19 February 2019, the Appellant informed the CAS Court Office of its objection to refer the matter to a sole arbitrator.

24. On 20 February 2019, FIFA reiterated its request to have the matter decided by a sole arbitrator.

25. On 21 February 2019, the Appellant reiterated its request that the matter be decided by a Panel of three arbitrators.

26. On 21 February 2019, FIFA provided the CAS Court Office with supplementary arguments to support its position that the matter should be referred to a sole arbitrator.

27. On 25 February 2019, the Appellant filed its appeal brief pursuant to Article R51 of the CAS Code within the relevant deadline. The brief contained the following requests for relief:

- *i. Confirm that FIFA circular letter no. 1628 should not have been applied in the disciplinary proceedings against the Appellant that led to the FIFA Decision;*

- *ii. Annul the FIFA Decision and refer the case back to FIFA; and*

- *iii. Order FIFA not to apply FIFA circular letter no. 1628 to the case.*

In any event,

- *iv. To order the Respondent to pay a contribution towards the legal costs of the Appellant pursuant to Article R64.5 of the CAS Code.*

28. On 26 February 2019, the Appellant replied to the supplementary submissions by FIFA in relation to the composition of the arbitral tribunal, and insisted on its request that the matter be decided by a Panel of three arbitrators.

29. On 26 February 2019, the CAS Court Office informed the parties that the issue of the composition of the arbitral tribunal shall be decided by the President of the CAS Appeals Arbitration Division, or her Deputy, pursuant to Article R50 (1) of the CAS Code.

30. On 18 March 2019, the CAS Court Office informed the parties, that the President of the CAS Appeals Arbitration Division decided to submit the matter to a three-member Panel.

31. On 20 March 2019, FIFA informed the CAS Court Office that it wished to nominate Mr Lars Hilliger, Attorney-at-law in Copenhagen, Denmark, as an arbitrator in these proceedings.

32. On 15 April 2019, pursuant to Article R54 of the Code, and on behalf of the President of the CAS Appeals Arbitration Division, the CAS Court Office informed the parties that the Panel appointed to decide the present matter was constituted as follows:

President:	Mr Sofoklis P. Pilavios, Attorney-at-law in Athens, Greece
Arbitrators:	Mr Pavel Pivovarov, Attorney-at-law in Saint Petersburg, Russian Federation Mr Lars Hilliger, Attorney-at-law in Copenhagen, Denmark

33. On 8 May 2019, FIFA filed its answer with the CAS in accordance with Article R55 of the CAS Code, with the following requests for relief:

- *To reject the Appellant's appeal in its entirety.*

- *To confirm the decision 170938 PST ITA ZH rendered by a member of the FIFA Disciplinary Committee on 19 October 2018 hereby appealed against.*

- *To order the Appellant to bear all costs and legal expenses incurred with the present procedure.*

34. On 13 May 2019, the Appellant informed the CAS Court Office of its preference that the matter be decided by the Panel based solely on the parties' written submissions, without a hearing.

35. On 14 May 2019, the Respondent also informed the CAS Court Office of its preference for the matter to be decided without holding a hearing.

36. On 17 and, respectively, 18 June 2019, the Respondent and the Appellant returned duly signed copies of the Order of Procedure to the CAS Court Office. By signing the Order of Procedure, both parties expressly confirmed their agreement for the Panel to decide the matter based solely on the parties' written submissions, without holding a hearing, and further confirmed that their right to be heard had been respected.

37. On 4 July 2019, the Appellant requested a 15-day suspension of the proceedings.

38. On 10 July 2019, the Respondent informed the CAS Court Office that it objects to the Appellant's request to suspend the proceedings.

39. On 12 July 2019, the CAS Court Office informed the parties that the Panel had decided to dismiss the Appellant's request to suspend the proceedings.

IV. SUBMISSIONS OF THE PARTIES

40. The Appellant's submissions, in essence, may be summarized as follows:

- The FIFA disciplinary proceedings that led to the Appealed Decision did not take into account the fact that the Appellant and the Agent, Mr. Rolla, had been negotiating a payment plan.

- A payment plan was indeed agreed and carried out between the parties. In fact, on 25 September 2018, the Appellant paid EUR 200,000 to the Agent, as the first installment of the payment schedule.

- However, the Agent did not confirm the existence of such payment plan, despite having been requested to do so by FIFA. This was due to the fact that FIFA Secretariat had invoked in its correspondence to the Agent the content of FIFA Circular Letter No. 1628, indicating that "the conclusion of an agreement between the parties will automatically lead to the closure of disciplinary proceedings".

- The disciplinary proceedings had begun on 8 March 2018 and FIFA Circular Letter No. 1628 was issued on 9 May 2018. This means that FIFA applied FIFA Circular Letter No. 1628 in the disciplinary proceedings in the case at hand retrospectively.

- FIFA Circular Letter No. 1628 introduced a new substantive rule in relation to payment plans, which was less favorable to the interests of the Appellant. In particular, the application of FIFA Circular Letter No. 1628 resulted into an unfavorable situation for the Appellant, as the Agent refused to confirm the existence of a payment plan between the parties, knowing that this would lead to the closure of the disciplinary proceedings. So, had it not been for the application of FIFA Circular Letter No. 1628, the parties would have reached an amicable solution, without the imposition of disciplinary sanctions.

- Consequently, FIFA Circular Letter No. 1628 should not have been applied retrospectively in the disciplinary proceedings that led to the Appealed Decision, as it was unfavorable to the interests of the Appellant.

- Retrospective application of a less favorable rule to the detriment of perpetrator, in this case to the detriment of the Appellant, contravenes Article 4 of the FIFA Disciplinary Code.

- Besides, FIFA Circular Letters are essentially administrative documents and may not introduce new substantive rules.

- In this light, the disciplinary proceedings were not carried out in a proper manner.

- Alternatively, the sanctions imposed by the Appealed Decision were disproportionate in the light of the facts of the case at hand.

41. The Respondent's submissions, in essence, may be summarized as follows:

- It is clear and undisputed that the Appellant had to pay the Agent, Mr. Rolla, an amount of EUR 1,000,000 pursuant to a settlement agreement between them which was ratified by CAS Consent Award of 22 July 2015. It is also clear and undisputed that the Appellant had not made any payment, not even a partial one, before the opening of the disciplinary proceedings on 8 March 2018.

- Consequently, the Appellant had infringed Article 64 of the FIFA Disciplinary Code and there were absolutely no reasons to justify non-payment of the amounts due.

- In addition, the Appellant failed to provide evidence to corroborate the allegation that it had reached a verbal agreement with the Agent for a payment plan of the amounts due.

- The alleged adverse impact of the retrospective application of FIFA Circular Letter No. 1628 does not constitute a valid justification for not complying with the CAS Consent Award. The violation of Article 64 of the FIFA Disciplinary Code is therefore completely irrespective of the application or not of the FIFA Circular Letter No. 1628 in the disciplinary proceedings that led to the Appealed Decision.

- At any rate, the FIFA Circular Letter No. 1628 does not involve a regulatory change and does not amend the FIFA Disciplinary Code, but it only explains the application of Article 107 thereof.

- The financial difficulties invoked by the Appellant do not constitute a valid excuse for failing to meet its payment obligations.

- Finally, the sanctions imposed are in line with the long standing practice of the Disciplinary Committee, taking into account that the outstanding amount due is EUR 800,000, and also, that the Appellant had not made any payments whatsoever in three years since the issuance of the CAS Consent Award.

V. JURISDICTION

42. Article R47 of the Code provides as follows:

An appeal against the decision of a federation, association or sports-related body may be filed with CAS if the statutes or regulations of the said body so provide or if the parties have concluded a specific arbitration agreement and if the Appellant has exhausted the legal remedies available to it prior to the appeal, in accordance with the statutes or regulations of that body.

43. Article 58 (1) of the FIFA Statutes provides as follows:

Appeals against final decisions passed by FIFA's legal bodies and against decisions passed by confederations, member associations or leagues shall be lodged with CAS within 21 days of receipt of the decision in question

44. The jurisdiction of the CAS derives from Articles 58 (1) of the FIFA Statutes and R47 of the Code. The jurisdiction of CAS is further confirmed by the Order of Procedure duly signed by all parties. It therefore follows that CAS has jurisdiction to decide on the present dispute.

VI. ADMISSIBILITY

45. Article 58 (1) of the FIFA Statues, cited above, provides that appeals against final decisions passed by FIFA's legal bodies shall be lodged with CAS within 21 days of receipt of the decision in question.

46. Article R49 of the Code provides as follows:

In the absence of a time limit set in the statutes or regulations of the federation, association or sports-related body concerned, or of a previous agreement, the time limit for appeal shall be twenty-one days from the receipt of the decision appealed against. [...].

47. The motivated part of the Appealed Decision was notified to the parties on 9 January 2019 and the Appellant filed its statement of appeal on 30 January 2019. Therefore, the 21-day deadline to file the appeal was met.

48. The Panel, therefore, finds the appeal admissible.

VII. APPLICABLE LAW

49. Article R58 of the Code provides as follows:

The Panel shall decide the dispute according to the applicable regulations and, subsidiarily, to the rules of law chosen by the parties or, in the absence of such a choice, according to the law of the country in which the federation, association or sports-related body which has issued the challenged decision is domiciled or according to the rules of law that the Panel deems appropriate. In the latter case, the Panel shall give reasons for its decision.

50. Article 57 (2) of the FIFA Statutes provides as follows:

The provisions of the CAS Code of the Sports-related arbitration shall apply in the proceedings. CAS shall primarily apply the various regulations of FIFA and, additionally, Swiss law.

51. Accordingly, the Panel shall decide the present matter according to the relevant FIFA regulations and more specifically the FIFA Disciplinary Code, as in force at the relevant time of the dispute, and Swiss law shall be applied subsidiarily.

VIII. MERITS

52. The Panel notes that the Appellant does not contest its obligation to pay the outstanding amount of its debt to Mr Horacio Luis Rolla under the CAS Consent Award of 22 July 2015, which ratified the terms of the Settlement Agreement concluded on 25 May 2015. In fact, the Appellant admits that it has made only a partial payment of EUR 200,000 and that so far it has failed to pay a significant part of its debt in the amount of EUR 800,000.

53. The Panel finds that the financial problems invoked by the Appellant cannot excuse its failure to comply with the CAS Consent Award, as it is in fact a well-established principle (applied *e.g.* in CAS 2006/A/1008, § 44) that financial difficulties to satisfy an obligation of payment do not excuse the failure to make the required payment.

54. On this basis, the Appellant failed to comply fully with its payment obligations under the CAS Consent Award without any valid justification, and hence, the Panel finds that all conditions provided in article 64 (1) of the FIFA Disciplinary Code for the imposition of disciplinary sanctions against a Club are met.

55. Nonetheless, the Appellant challenges the Appealed Decision arguing that the

FIFA Secretariat to the Disciplinary Committee should not have invoked the content of FIFA Circular Letter No. 1628 during the disciplinary proceedings at hand, given that the respective proceedings had opened on 8 March 2018 and that said Circular Letter was issued on 9 May 2018. According to the Appellant, this constitutes retrospective application of a less favourable substantive rule to its detriment, in a way that contravenes Article 4 of FIFA Disciplinary Code. In this vein, the Appellant contends that FIFA Circular Letter No. 1628 introduced a substantive change, insofar as it provides that the conclusion of a settlement agreement or a payment plan between the parties will automatically lead to the closure of disciplinary proceedings.

56. In this respect, the Appellant claims that it had verbally agreed on a payment plan with the Agent for settling its debt in instalments. Yet, according to the contentions of the Appellant, the Agent refused to confirm to FIFA the existence of such agreement, as this would automatically lead to the closure of the disciplinary proceedings, as per the content FIFA Circular Letter No. 1628. According to the line of arguments presented by the Appellant, this ultimately resulted to its detriment, given that had it not been for the retrospective application of FIFA Circular Letter No. 1628, the Agent would have confirmed the existence of a payment plan and, thus, the FIFA Disciplinary Committee would not have imposed sanctions against it.

57. The Panel does not find merit in these arguments, as they are not corroborated by sufficient evidence and are based on a false premise. In particular, the Panel holds that the Appellant failed to discharge its burden of proof to support the allegation that it had reached a verbal agreement for a payment plan with the Agent. The Appellant did not present any shred of evidence to substantiate that it had reached such agreement by mutual consent. What is more, the Appellant conspicuously failed to refer to any details about the due dates for payment and the number of instalments of the alleged plan. To the understanding of the Panel, the mere fact that that the Appellant had made a payment in the amount of EUR 200,000 to the Agent on 25 September 2018 does not suffice to demonstrate that the latter had consented to receive payments in instalments.

58. Consequently, the Panel finds that there is no sufficient evidence to establish that the Agent had actually agreed to any plan to receive payment of the amount due in instalments.

59. Consequently, in the absence of a concrete settlement agreement or a specific payment plan between the Appellant and the Agent, FIFA Circular Letter No. 1628 has absolutely no bearing on the present matter. Hence, said Circular Letter was completely irrelevant and could not have affected the outcome of the disciplinary proceedings, neither the content of the Appealed Decision, given that the Appellant was, and remains until today, in continuous breach of its payment obligations under the CAS Consent Award, without valid justification.

60. In view of the above, the Panel concludes that the Appealed Decision was issued in accordance with the conditions provided for in article 64 (1) of the FIFA Disciplinary Code and that there was no procedural impropriety in the

administration of the disciplinary proceedings that could possibly have prejudiced the interests of the Appellant.

61. On all the above grounds, and after taking into consideration the specific circumstances of the case, the Appellant's overall conduct, its persistent failure to make the required payments due to the Agent since 1 March 2016, which was the deadline set by the CAS Consent Award, and also the seriousness of the outstanding amount due, the Panel finds that the disciplinary sanctions ordered by the Appealed Decision are proportional and appropriate.

62. The appeal shall therefore be dismissed.

IX. COSTS

63. Article R64.5 of the Code (2019 edition) provides as follows:

R64.5 In the arbitral award, the Panel shall determine which party shall bear the arbitration costs or in which proportion the parties shall share them. As a general rule and without any specific request from the parties, the Panel has discretion to grant the prevailing party a contribution towards its legal fees and other expenses incurred in connection with the proceedings and, in particular, the costs of witnesses and interpreters. When granting such contribution, the Panel shall take into account the complexity and outcome of the proceedings, as well as the conduct and the financial resources of the parties.

64. Article R 65.1 of the Code (2019 edition) provides as follows:

R65.1 This Article R65 applies to appeals against decisions which are exclusively of a disciplinary nature and which are rendered by an international federation or sports-body. It is not applicable to appeals against decisions related to sanctions imposed as a consequence of a dispute of an economic nature. In case of objection by any party concerning the application of Article R64 instead of R65, the CAS Court Office may request that the arbitration costs be paid in advance pursuant to Article R64.2 pending a decision by the Panel on the issue.

65. The Panel notes that the present matter concerns an appeal against a decision related to sanctions imposed as a consequence of a dispute of an economic nature. Consequently, Article R65 is not applicable.

66. Therefore, having taken into account the outcome of the arbitration, and in particular that all the Appellant's arguments are rejected, the Panel orders that the costs of the arbitration, in an amount that will be determined and served on the parties by the CAS Court Office, shall be borne by the Appellant in their entirety.

67. Finally, in light of the outcome of the present matter and taking into account the circumstances of the case at stake, particularly the fact the Respondent was not represented by an external counsel, the Panel rules that each Party shall

bear its own costs and other expenses incurred in connection with this arbitration.

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ON THESE GROUNDS

The Court of Arbitration for Sport rules that:

1. The appeal filed by US Città di Palermo on 30 January 2019 against the Decision issued on 19 October 2018 by the FIFA Disciplinary Committee is dismissed.

2. The Decision issued on 19 October 2018 by FIFA Disciplinary Committee is confirmed.

3. The costs of the arbitration, to be determined and served to the Parties by the CAS Court Office, shall be borne in their entirety by US Città di Palermo.

4. Each Party shall bear its own costs and other expenses incurred in connection with this arbitration.

5. All other motions or prayers for relief are dismissed.

Seat of arbitration: Lausanne, Switzerland
Date: 30 October 2019

THE COURT OF ARBITRATION FOR SPORT

Sofoklis P. Pilavios
President of the Panel