

# **Decision of the Dispute Resolution Chamber**

passed in Zurich, Switzerland, on 19 February 2009,

in the following composition:

**Slim Aloulou (Tunisia)**, Chairman

**Philippe Piat (France)**, member

**Mick Mc Guire (England)**, member

**Mario Gallavotti (Italy)**, member

**Reinhard Rauball (Germany)**, member

on the claim presented by the club

**A,**

*as Claimant*

against the club

**P,**

*as Respondent*

regarding a dispute for training compensation in connection with  
the player M.

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

1. The A Football Association confirmed that the player M, born on 24 April 1986 and of A nationality, had been trained by the club A, the Claimant, from 4 October 1998 to 1 August 2005 and had been registered as an amateur.
2. On 9 August 2005, the player signed his first employment contract with the club P, the Respondent, which was valid for two years and renewable for three years.
3. The P Football Federation confirmed that the Respondent was a category two club (indicative amount UEFA EUR 60,000 per year).
4. On 16 November 2006, the Claimant lodged a complaint against the Respondent for non-payment of training compensation in the amount of EUR 400,000.
5. On 25 June 2007, the Respondent declared that the player had been a "*free agent*" when he had signed for the club. The international transfer certificate issued by the Football Association A had not provided specific details. In particular, the Respondent concluded that the complaint was inadmissible because the Claimant had never directly demanded the payment of training compensation within the 18-month deadline. Moreover, it believed that the Claimant had terminated the employment contract with the player without just cause and therefore had no right to training compensation. The Respondent added that the Claimant had not submitted any document on which to base its demands. In particular, it had not provided proof of the claimed sum of EUR 400,000 and of the "*player factor*". The Respondent indicated that the Claimant had no longer been interested in the player, as confirmed by the player's agent, and had therefore renounced its right to training compensation. Finally, the Respondent declared that the complaint should be lodged against the club for whom the player was registered at the time of the complaint. Finally, the Respondent emphasised that the player was longer registered with it.
6. On 29 January 2008, the Claimant rejected the arguments put forward by the Respondent and maintained that it had a right to receive training compensation for the period during which it had trained the player.
7. On 3 March 2008, the Respondent recalled that the Claimant had terminated the player's contract, released him of his obligations and had thus renounced its right to receive any training compensation. It once again emphasised that the Claimant had not provided any document attesting to the sum of EUR 400,000. As a result, the Respondent asked the Claimant's demand to be rejected.

## **II. Considerations of the Dispute Resolution Chamber**

1. First of all, the Dispute Resolution Chamber analysed whether it was competent to deal with the case at hand. In this respect, it took note that the present matter was submitted to FIFA on 16 November 2006. Consequently, the Rules Governing the Procedures of the Players' Status Committee and the Dispute Resolution Chamber, edition 2005 (hereinafter: Procedural Rules) are applicable to the matter at hand (cf. art. 18 par. 2 and 3 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 and art. 22 lit. (d) of the Regulations on the Status and Transfer of Players (edition 2008) the Dispute Resolution Chamber is competent to decide on the present litigation with an international dimension concerning the training compensation claimed by the Claimant for the training and education of the player M.
3. Furthermore, and taking into consideration that the player was apparently registered with his new club in August 2005, 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 2008), and considering that the present claim was lodged on 16 November 2006, the previous version of the regulations (edition 2005; hereinafter: Regulations) is applicable to the matter at hand as to the substance.
4. In continuation, the Chamber referred to the Respondent's argument that the present claim should be deemed inadmissible due to the fact the Claimant had never directly demanded the payment of training compensation within the 18-month deadline. In this respect, the Chamber deemed it appropriate to recall that, in principle, it shall not address any dispute if more than two years have elapsed since the facts leading to the dispute arose (cf. 25 par. 5 of the Regulations). Thus, the Chamber emphasised that based on the documents on file it can be established that the player signed his first employment contract with the Respondent in August 2005 and that the Claimant lodged its claim in November 2006, i.e. within the two-year deadline. As a result, the deciding body did not uphold the objection of the Respondent.
5. The competence of the Chamber and the applicable regulations having been established, the Chamber entered into the substance of the matter. The members of the Chamber started by acknowledging the facts of the case as well as the documentation contained in the file.
6. The Chamber duly noted that, on the one hand, the Claimant is requesting training compensation for the training and education of the player from the Respondent in the amount of EUR 400,000. On the other hand, the Chamber took into account that the Respondent deems that no training compensation should be

paid to the Claimant since the player had been a "*free agent*" when he had signed for the club, the Claimant had terminated the employment contract with the player without just cause, the Claimant had not provided proof of the claimed sum of EUR 400,000 and of the "*player factor*", the Claimant had no longer been interested in the player and the player is no longer registered with it.

7. With regard to the arguments of the Respondent, the Chamber started by emphasising that, as a general rule, training compensation is due if a professional is transferred during or at the end of his contract. Thus, even if the player would have been a "*free agent*", training compensation would, in principle, still be due. Turning its attention to the allegation of the Respondent with regard that the Claimant had apparently terminated the employment contract with the player without just cause, the Chamber was eager to emphasise that the Football Association A has confirmed that the player had been registered with the Claimant as an amateur. Congruously, a contractual relationship, which might have been disrespected by any of both parties, never existed between the player and the Claimant.
8. Furthermore, the Chamber emphasised that the matter at stake does not concern a transfer inside the territory of the EU/EEA and therefore the fact that the Claimant has apparently no longer been interested in the player is irrelevant for the present case. Finally, the Chamber emphasised that the obligation to pay training compensation is not at all linked to the fact whether the player is still registered with the Respondent. In this respect, the Chamber deemed it appropriate to recall that, as a general rule, the club for which a player is registered is responsible for paying training compensation within 30 days of registration (cf. art. 3 of Annex 4 of the Regulations).
9. Continuing, the Chamber stated that, as established in art. 1 par. 1 of Annex 4 in combination with art. 2 of Annex 4 of the Regulations, training compensation is payable, as a general rule, for training incurred between the ages of 12 and 21 when the player concerned is registered for the first time as a Professional, or when a Professional is transferred between clubs of two different Associations, before the end of the season of the player's 23<sup>rd</sup> birthday.
10. In view of the above, the Chamber concluded that based on the documents at disposal it can be established that the player in question, born on 24 April 1986, was registered for the first time as a professional with the Respondent in August 2005, i.e. before the end of the season of the player's 23<sup>rd</sup> birthday.
11. Moreover, the Chamber took note of the fact that A Football Association confirmed that the player, born on 24 April 1986, was registered with the Claimant as from 4 October 1998 to 1 August 2005 as an amateur.
12. Considering the above as well as art. 3 par. 1 of the Annex 4 of the Regulations, which stipulates that the amount payable is calculated on a *pro rata* basis

according to the period of training that the player spent with each club, the Chamber concluded that the effective period of time to be considered in the matter at stake corresponds to 6 entire seasons (the seasons between the player's 14<sup>th</sup> and 19<sup>th</sup> birthday, i.e. 1999/2000 until 2004/2005) as well as 10 months of the season of the player's 13<sup>th</sup> birthday (the season 1998/1999).

13. Turning its attention to the calculation of training compensation, the Chamber referred to art. 5 par. 1 and 2 of Annex 4 of the Regulations, which stipulates that, as a general rule, it is necessary to take the costs that would have been incurred by the new club if it had trained the player itself. Thus, training compensation is calculated based on the training costs of the new club multiplied by the number of years of training with the former club. Equally, art. 5 par. 3 of Annex 4 of the Regulations provides for that the training costs for the season between the player's 12<sup>th</sup> and 15<sup>th</sup> birthday shall be based on the training and education costs for category 4 clubs.
14. In this respect, the Chamber took due note that according to the information at disposal the Respondent belonged to category 2 (indicative amount within UEFA EUR 60,000 per year) and that the indicative amount within UEFA for category 4 clubs is EUR 10,000.
15. In view of all of the above, the Chamber concluded that the Claimant is entitled to receive training compensation from the Respondent in the amount of EUR 268,333.

### **III. Decision of the Dispute Resolution Chamber**

1. The claim of the Claimant, A, is partially accepted.
2. The Respondent, P, has to pay to the Claimant, A, the amount of EUR 268,333 **within 30 days** as from the date of notification of this decision.
3. Any further claims lodged by the Claimant, A, are rejected.
4. If the aforementioned sum is not paid within the aforementioned deadline, an interest rate of 5% per year will apply as of expiring of the fixed time limit and the present matter shall be submitted upon the parties' request to FIFA's Disciplinary Committee so that the necessary disciplinary sanctions may be imposed.
5. The Claimant, A, is directed to inform the Respondent, P, 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.

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

According to art. 63 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  
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For the Dispute Resolution Chamber:

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Jérôme Valcke  
Secretary General

Encl. CAS directives