

**THE DISPUTE RESOLUTION CHAMBER  
OF THE PLAYERS' STATUS COMMITTEE**

convening in Zurich, Switzerland, on 15 January 2004 and comprising:

**Slim Aloulou (Tunisia), Chairman  
Gerardo Movilla (Spain), member  
Theo van Seggelen (the Netherlands), member  
Maurice Watkins (England), member  
Paulo Rogerio Amoretty Souza (Brazil), member**

and deliberating in accordance with Chapter VII of the FIFA Regulations for the Status and Transfer of Players (edition September 2001) on a claim lodged by club A against the player B, regarding a contractual dispute.

**TOOK INTO CONSIDERATION**

**AS TO SUBSTANCE**

- Player B is an X citizen, born on X.
- On 2 January 2002, player B and club A signed an employment contract valid until the end of the 2005/2006 sports season.
- In accordance with the aforementioned employment contract, player B was entitled to receive a monthly net salary of X and signing-on fees in the total amount of X, to be paid in the following conditions:
  - o X before 15 January 2002.
  - o X in 12 equal monthly instalments (X each), from January until December 2002.
- Despite the existing employment contract, player B did not return for the club's pre-season on 26 December 2002, having been absent from the club since then.
- On 3 February 2003, after taking into consideration the aforementioned elements and having failed to contact the player in order to obtain his position on the matter, the FIFA Administration provisionally suspended player B from all football activity worldwide.

- On 13 May 2003, player B provided the FIFA Administration with his position on the matter, defending that the reason why he had left club A was because, at the end of the year 2002, the aforementioned club A did not exercise its option right to extend their employment contract for another season, in accordance with Clause 3 of their employment contract.
- Clause 3 of the relevant employment contract stipulates the following:
 

*“This contract is valid as from the summer tournament in 2002, as well as for the 2002-2003, 2003-2004, 2004-2005 and 2005-2006 seasons. It is understood that, at the end of each season, the club will be entitled to extend the contract by twelve months, in which case the parties shall accept the salary increases stipulated in enclosure 1, clause 1.1 of this contract. If the club chooses not to exercise the foregoing option, it will be obliged to comply only with the contractual obligations of the last season in which the player was under contract.”*
- In this regard, player B understands that club A should have had exercised the aforementioned option right by the end of 2002, in order to extend their employment contract for another season, which it failed to do.
- In May 2003, due to a decision taken by an Z Labour Court, authorizing player A to proceed with his career, the Y National Association was obliged to authorize his registration with Club C.
- Player B signed an employment contract with Club C, valid from 9 May 2003 until 8 May 2004.
- On 4 July 2003, player B’s suspension was lifted due to the fact that club A failed to provide the FIFA Administration with its position regarding the aforementioned Clause 3 of the employment contract, despite several requests in this regard.
- Club A asserts that the player has unilaterally breached a valid employment contract without just cause.
- Moreover, club A emphasizes that it has made a strong financial investment in the amount of X, in order to acquire player B’s federative rights. A copy of the transfer agreement confirming the aforementioned amount as well as payment receipts, have been provided to the FIFA Administration.
- Player B is not claiming any outstanding amounts under his employment contract from club A.
- In October 2003, club A finally provided the FIFA Administration with its position regarding Clause 3 of the relevant employment contract, stating that the aforementioned contractual clause was only stipulated in order to, at the end of each season, increase the player’s salary. The non-exercise of such option right could never put an end to the employment contract, which is valid until the end of the 2005/2006 sports season.
- Notwithstanding the above, club A asserts that it has notified player B to present himself for the club’s pre-season on 26 December 2002, which demonstrates its interest to count with the player for the following season. However, the player has not only failed to return to the club, but he also did not inform the club of his intentions to leave.

- In view of the above, club A is presently requesting the Dispute Resolution Chamber to confirm that it is the holder of the player's federative rights, and therefore, should be financially compensated in the minimum amount of X, by player B or/and club C.
- Finally, taking into account the relevance as well as the content of the aforementioned contractual clause, the W National Association has informed the FIFA Administration about their 2002/2003 football season's calendar.
- Taking into consideration the above, the Chamber outlined that:
  - As established in art. 42 par. 1 lit. (b) (i) of the revised FIFA Regulations for the Status and Transfer of Players (hereinafter: the Regulations), it falls within the purview of the Dispute Resolution Chamber to determine whether one of the parties has committed a unilateral breach of contract without just cause.
  - The Chamber will establish the amount of compensation to be paid and decide whether sports sanctions must be imposed (cf. art. 42 par. 1 (b) (ii) and (iii) in connection with art. 22 and 23 of the Regulations).
  - The Chamber noted that player B decided to terminate his employment contract with club A in December 2002, based on the fact that club A did not exercise its option right in order to extend their contractual link for another sports season, in accordance with Clause 3 of the relevant contract.
  - After a careful analysis of the relevant employment contract and, in particular, of its Clause 3, the Chamber observed that the aforementioned contractual clause stipulates that the contract is valid until the end of the 2005-2006 season.
  - Moreover, at the end of each sports season, the club would be entitled to extend the contract by twelve months, in which case the parties would accept the salary increase stipulated in enclosure 1, clause 1.1 of the contract.
  - In this respect, the Chamber emphasized the last part of the aforementioned contractual clause, which clearly mentions that, *"If the club chooses not to exercise the foregoing option, it will be obliged to comply only with the contractual obligations of the last season in which the player was under contract"*.
  - As a consequence, the Chamber reached the conclusion that the relevant employment contract between player B and club A is valid until the end of the season 2005/2006 and, moreover, that the non-exercise of the aforementioned option right did not imply the end of the contractual link, since its purpose was only to provide the player with a salary increase at the end of each sports season.
  - Furthermore, the Chamber took note of the fact that club A had complied with its contractual obligations towards player B, up until the departure of the player.
  - In light of the above, the Chamber concluded that player B had no just cause to terminate his employment contract with club A.
  - In compliance with the content of Chapter VIII of the Regulations, in particular, with its art. 21 par. 1 (a), the Chamber decided to impose sports sanctions for unilateral breach of contract without just cause to player B and to award financial compensation to club A.

- In this regard, taking into account that player B was 25 years old by the time when the contractual breach occurred and that it took place at the end of the first year of contract, the Chamber decided to sanction player B with “a restriction of four months on his eligibility to participate in any official football matches as from the beginning of the new season of the new club’s national championship”, as stipulated in art. 23 par. 1 (a) of the Regulations, i.e. as from the beginning of the new season of the X championship, which starts on X.
- Concerning the financial compensation to be awarded to club A, the Chamber, under consideration of art. 22 of the Regulations took into account the amount paid by club A in order to acquire the player’s federative rights and thus determined that player B is liable to pay the amount of X to club A for damages suffered by the latter.
- Moreover, the Chamber emphasized the content of art. 14 par. 3 of the Regulations governing the Application of the Regulations for the Stratus and Transfer of Players as well as point 3 (a) (ii) of the aforementioned Circular letter, according to which, if a player responsible for a breach of contract does not pay the compensation awarded by the Chamber within one month, the new club shall be deemed jointly responsible for payment of the compensation awarded.
- In this regard, the Chamber determined that player B’s new club, i.e. club C shall be liable to pay the aforementioned financial compensation to club A, in case player B fails to make such payment within one month of notification of the present decision.
- Furthermore, the Chamber stressed that in case player B and Club C fail to pay the aforementioned financial compensation to club A within the stipulated deadline, disciplinary measures may be imposed by the FIFA Disciplinary Committee.
- Finally, the Chamber took note of the fact that club A has paid a signing-on fee in the amount of X to player B during the first year of the contract, for the entire period that the player was supposed to remain with club A.
- Considering the aforementioned amount paid to player B and putting this in relation to the time that he effectively played for club A, the Chamber concluded that the player should return part of the signing-on fee corresponding to the remainder of the timeframe of the employment contract for which he did not stay with club A.
- As a consequence, taking into account that player B received a signing-on fee in the amount of X for a contract with a duration of 54 months, and that he only remained for 12 months with club A, the player shall return the amount of X to club A.

## DECIDED FOR THESE REASONS

1. Player B is suspended from all football activity worldwide for the period of 4 (four) months, counting from X.
1. Player B shall pay the amount of X to club A, within **30 days** of notification of the present decision.
2. If player B fails to pay the aforementioned financial compensation to club A within one month of notification of the present decision, Club C is considered jointly responsible for such payment.
3. Player B shall pay back the amount of X to club A, within **30 days** of notification of the present decision.
4. If player B or Club C fail to comply with the above-mentioned deadline, an interest rate of 5% per year will apply.
5. According to art. 60 par. 1 of the FIFA Statutes this decision may be appealed before the Court of Arbitration for Sport (CAS). The statement of appeal must be sent to the CAS directly within 10 days of receiving notification of this decision and has to contain all elements in accordance with point 2 of the directives issued by the CAS, copy of which we enclose hereto. Within another 10 days following the expiry of the time limit for the filing of the statement of appeal, the appellant shall file with the CAS a brief stating the facts and legal arguments giving rise to the appeal (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 of the FIFA Players' Status Committee,

Urs Linsi  
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