

Decision of the Dispute Resolution Chamber

passed in Zurich, Switzerland, on 22 July 2010,

in the following composition:

Slim Aloulou (Tunisia), Chairman
Theo van Seggelen (Netherlands), member
Jon Newman (USA), member
Ivan Gazidis (England), member
Guillermo Saltos Guale (Ecuador), member

on a matter between the club,

V,

and the club,

B,

and the club,

M,

as Intervening party

regarding the distribution of solidarity contribution related to the
transfer of the player L

I. Facts of the case

1. The Football Federation of P confirmed that the player L (hereinafter: *the player*), born on 10 October 1980, was registered with its affiliated club, V, as from 2 August 2002 until 9 October 2003.
2. The sporting season in country P runs from 1 July until 30 June of the following year.
3. The player was registered with the club B on 22 February 2008.
4. On 27 May 2008, V contacted FIFA claiming its proportion of solidarity contribution in connection with the transfer of the player concerned from the club, M, to the club, B, for the alleged amount of EUR 150'000.
5. In particular M requests the amount of EUR 750, *i.e.* 10% of 5% of the transfer compensation paid for the player, as solidarity contribution, plus 5% interest as from the day on which the payment of the solidarity contribution was effectively due.
6. On 11 September 2008, B submitted a copy of the relevant transfer agreement according to which the transfer compensation amounted to EUR 120'000, payable at the date of signature. B clarified that 100% of the transfer compensation was allegedly paid to the player's former club, M, and that the said amount included 5% of solidarity contribution regulated by the FIFA Regulations on the Status and Transfer of Players. Moreover the Respondent cited clause 6 of the transfer agreement, which provides that "*M undertakes the obligation to execute all the payments of solidarity to FIFA*".
7. Subsequently, FIFA informed all parties involved of the pertinent jurisprudence of the Dispute Resolution Chamber applied in cases in which the new club omitted to deduct the relevant proportion(s) of the 5% solidarity contribution from the paid compensation and invited them to consider it accordingly.
8. The clubs involved did not proceed in accordance with the well-established jurisprudence of the Dispute Resolution Chamber and thus a decision has been requested.
9. Furthermore, M, in spite of having been invited to do so, has not presented its comments related to the claim put forward by the club from P.

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, the Chamber first referred to art. 21 par. 2 and 3 of the Rules Governing the Procedures of the Players' Status Committee and the Dispute Resolution Chamber (edition 2008). The present matter was submitted to FIFA on 27 May 2008, thus before the aforementioned Rules entered into force on 1 July 2008. Therefore, the Dispute Resolution Chamber referred to art. 18 par. 2 and 3 of the Rules Governing the Procedures of the Players' Status Committee and the Dispute Resolution Chamber (DRC) (edition 2005; hereinafter: Procedural Rules) and concluded that the 2005 edition of the Procedural Rules is applicable to the matter at hand.
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. d) of the aforementioned Regulations, the Dispute Resolution Chamber is competent to deal with the matter at stake which concerns a solidarity contribution dispute between clubs belonging to different associations.
3. Furthermore, the Chamber analysed which edition of the Regulations on the Status and Transfer of Players should be applicable as to the substance of the matter. In this respect, the Chamber referred, on the one hand, to art. 26 par. 1 and 2 and, on the other hand, to the fact that the present claim was lodged on 27 May 2008 and that the player was registered for B as a professional on 22 February 2008. In view of the aforementioned, the Chamber concluded that that the 2008 edition of the Regulations on the Status and Transfer of Players (hereinafter: *the 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 doing so, the members of the Chamber started to acknowledge the facts of the case as well as the documents contained in the file.
5. In this respect, the Chamber duly noted that the club from P is requesting EUR 750, *i.e.* 10% of 5% of the alleged amount of EUR 150,000 paid by B to M in connection with the international transfer of the player, plus 5% interest as from the day on which the payment of the solidarity contribution was effectively due.
6. Moreover, the Chamber duly noted that according to the relevant transfer agreement remitted to FIFA the player was transferred on 22 February 2008 for an amount of EUR 120,000 from M to B.

7. In continuation, the members of the Chamber emphasised that, as established in art. 21 in combination with Annexe 5 of the Regulations, if a professional moves during the course of a contract, 5% of any compensation, not including training compensation paid to his former club, shall be deducted from the total amount of this compensation and to be distributed by the new club as solidarity contribution to the club(s) involved in the training and education of the player in proportion to the number of years the player has been registered with the relevant clubs between the sporting seasons of his 12th and 23rd birthday.
8. In this respect, the Chamber took due note that the Football Federation of P confirmed that the player, born on 10 October 1980, was registered with the club from P as from 2 August 2002 (season of the player's 22nd birthday) until 9 October 2003 (season of the player's 23rd birthday).
9. In continuation, the Chamber duly noted that B asserts having paid the entire amount of EUR 120,000 agreed upon as transfer compensation, to M. In other words, the Respondent omitted to deduct 5% of the relevant transfer compensation relating to the solidarity mechanism.
10. Subsequently, the Chamber referred to its well-established jurisprudence applied in similar cases, in accordance with which the player's new club is ordered to remit the relevant proportion(s) of the 5% solidarity contribution to the club(s) involved in the player's training in strict application of art. 21 and Annexe 5 of the Regulations. At the same time, the player's former club is ordered to reimburse the same proportion(s) of the 5% of the compensation that it received from the player's new club.
11. In this context, the Chamber once more pointed out that according to art. 1 of Annexe 5 of the Regulations, inter alia, the new club shall deduct the 5% solidarity contribution from the amount of compensation agreed upon with the player's former club.
12. Having ascertained that the compensation agreed upon by and between M and B for the transfer of the player L is EUR 120'000 the Chamber turned to the calculation of the amount of solidarity contribution unmistakably due to V in accordance with art. 21 and Annexe 5 of the Regulations. In this context, the Chamber also referred to art. 1 of Annexe 5 of the Regulations, which provides the figures for the distribution of the solidarity contribution, according to the time the player was registered with the club involved.
13. Considering that the player, L, born on 10 October 1980, was registered with V as from 2 August 2002 until 9 October 2003, the Chamber established that, in accordance with art. 1 of Annexe 5, V is entitled to receive 11.66% of the 5%

of the compensation paid in relation with the transfer of the player L from club M to club B.

14. Furthermore, and considering that the club from P requests 5% default interest, the Chamber underlined that the new club should have paid the solidarity contribution to the training clubs no later than 30 days after the player's registration (cf. art. 2 par. 1 of Annexe 5 of the Regulations). As a result, B should have paid to the club from P 11.66% of 5% of EUR 120,000 no later than 30 days after the player's registration.
15. In view of all of the above, the Dispute Resolution Chamber decided that B has to pay to the club from P as solidarity contribution the amount of EUR 700, plus default interest of 5% *p.a.* as of 24 March 2008 until the date of effective payment. Furthermore, M has to reimburse to B the amount of EUR 700, plus default interest of 5% *p.a.* as of 24 March 2008 until the date of effective payment.

III. Decision of the Dispute Resolution Chamber

1. The claim of the club V is partially accepted.
2. B has to pay to the club V the amount of EUR 700 plus interest at 5% *p.a.* as of 24 March 2008 until the date of effective payment within 30 days as from the date of notification of this decision.
3. If the aforementioned sum plus interest is not paid by B within the above-mentioned time limit, the present matter shall be submitted, upon request, to the FIFA Disciplinary Committee for its consideration and a formal decision.
4. Any further claims lodged by the club V are rejected.
5. V is directed to inform B 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.
6. M has to reimburse to B the amount of EUR 700 plus interest at 5% *p.a.* as of 24 March 2008 until the date of effective payment within 30 days as from the date of notification of this decision.
7. If the aforementioned sum plus interest is not paid by M within the above-mentioned time limit, the present matter shall be submitted, upon request, to the FIFA Disciplinary Committee for its consideration and a formal decision.

8. B is directed to inform M 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:

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For the Dispute Resolution Chamber:

Jérôme Valcke
Secretary General

Encl. CAS directives