

# Decision of the Dispute Resolution Chamber

passed in Zurich, Switzerland, on 7 April 2011,

in the following composition:

**Geoff Thompson (England)**, Chairman *ad interim*

**Michele Colucci (Italy)**, member

**Jon Newman (USA)**, member

**Mario Gallavotti (Italy)**, member

**Todd Durbin (USA)**, member

on the claim presented by the club

**S,**

*as Claimant*

against the club

**A,**

*as Respondent*

regarding a training compensation dispute  
related to the transfer of the player F

## I. Facts of the case

1. The Football Association X (FAX) confirmed that the female player, F (hereinafter: *the player*), born on 13 October 1987, was registered with its affiliated club, S (hereinafter: *the Claimant*), from 1 April 2003 until 8 August 2008 as an amateur player.
2. The FAX informed FIFA that the “*competitive*” season for women’s football runs from April through September and into October for finals or Cup Competitions. According to the FAX, the Claimant is currently training 90 female players and the costs involved would justify its categorisation as a category 4 club.
3. The Football Association Y (FAY) confirmed that the player was registered for its affiliated club, A (hereinafter: *the Respondent*), as an amateur, on 8 August 2008 and that, subsequently, the player and the Respondent concluded a professional contract on 16 September 2008.
4. Regarding the category of its affiliated club, the FAY explained that clubs in the country Y are divided in four categories. Nevertheless, the FAY considered that the guidelines set down by FIFA for training compensation relate primarily for male players, since the level of training costs is different. Finally, the FAY claimed that in case of application of such categorisation, the Respondent would fall in category 4.
5. On 1 December 2008, the Claimant contacted FIFA asking for its proportion of training compensation from the Respondent, based on the fact that the player allegedly signed her first professional contract with the Respondent in 2008. In particular, the Claimant stated to have been responsible for the training and education of the player during five full sporting seasons (from 2003/04 until 2007/08), specifically from 1 April 2003 until 8 August 2008. Furthermore, according to the Claimant, the player signed her first professional contract with the Respondent, and consequently, the Claimant is entitled to receive training compensation for the aforementioned period.
6. The Claimant emphasised that the player was never registered for any other club in the Republic of X before signing the contract with the Respondent.
7. Finally, the Claimant alleged that the Respondent belongs to category 1 (indicative amount of EUR 90,000 per year) within the FAY, while the Claimant is a category 4 club (indicative amount of EUR 10,000 per year), and that the average training and education costs of the two categories would be of EUR 50,000 per season.
8. In this context, the training compensation amount claimed is of EUR 250,000.
9. In its reply, the Respondent rejected the claim. Preliminarily, the Respondent explained to have been created in 1987 and to be a separate organisation from the

men's club, A, although it receives a *"significant amount of discretionary funding"* from the latter. Moreover, it claimed to have an annual turnover of approximately 10,000 and an average attendance for home matches of two hundred people. According to the Respondent, those figures demonstrate that it is a club *"of a very different nature to the club A and, like all clubs in the ladies game, our finances reflect that"*.

10. The Respondent alleged that the player was registered with it on 8 August 2008 first as an amateur player and then, subsequently, on 16 September 2008, the Respondent and the player concluded a contract for a remuneration of approximately 5,000 *per annum*.
11. Moreover, the Respondent stated that the FAY did not consider that the guidelines set down by FIFA for training compensation apply to female as well as to male players, and, being the FAY its national governing body, it relied on this interpretation. Furthermore, the Respondent affirmed having a *"legitimate expectation that the rules set down for training compensation do not apply to female players"*, since it considered that the male and female football are entirely different. It emphasised that according to the FAY, there are very few professional women players and that the costs of training and developing young female players are not at the same level of costs as for the men's game. In this context, the Respondent deemed that the imposition of training compensation would cause significant damage to the ladies clubs.
12. Additionally, the Respondent declared that *"the imposition of such training compensation would significantly hamper the development of the ladies game more widely: ladies clubs simply could not afford to award players with professional contracts due to the costs of training compensation which they would then be required to pay. It is likely that this would threaten the existence of a large number of ladies teams and the ladies game in general"*.
13. Alternatively, in case training compensation would be due, the Respondent pointed out that the amounts established by FIFA as training compensation are inappropriate for female players. In this respect, it claimed that the costs incurred by ladies clubs to train players are much less than the training costs of a male player, considering their significantly lower budgets. In this context, the Respondent affirmed that it should not be considered as a category 4 club, since it is not comparable with men's clubs in the same category.
14. Finally, the Respondent asserted that it would be unfair for the Claimant to receive training compensation for the player based on the categorisation of the financial compensation used for men, since the amount actually invested for training the concerned player bears no resemblance to the amount of training costs that would be awarded.

15. The Claimant presented its replica, insisting in its previous arguments. In particular, it alleged that the player, while being registered with it, played at international level for the U-17 Olympic team of the Republic of X in 2004 and was then nominated for the FAX international U-19 Player of the Year 2005. In 2006, she won the FAX International U-19 and in 2007 she was again nominated as FAX Senior Player of the Year. She further won different awards whilst playing for the Claimant.
16. Regarding the arguments presented by the Respondent, the Claimant pointed out that the Respondent should detail the information about the "*significant discretionary funding*" received from the club A. Furthermore, it challenged the turnover of 10,000 alleged by the Respondent, stating that it recently won the domestic league and the cup, as well as the European Cup (UEFA Women's Champion's League). In particular, it stated that the attendances for the final games in this particular season alone were "*in the thousands*" and that the sponsorship income for those games must have been substantial, since some of them were televised.
17. Regarding the amount of 5,000 alleged by the Respondent as the annual salary of the player, the Claimant raised the question as to whether such amount includes the university fees discharged.
18. Moreover, the Claimant affirmed that "*the rules agreed by all participating Football Associations are gender neutral and not specific to men's football*". The Claimant also suggested that the training costs for ladies football can be higher for clubs like the Claimant, considering the fact that it has to provide with separate facilities.
19. Additionally, the Claimant stated that it is not interested in damaging the ladies game with its claim, since they are actively involved in its development within the Republic of X. The training compensation awarded would be reinvested in the training and education of players.
20. The Claimant acknowledged the fact that at professional level the training costs are different for male and female players, and this might have to be taken into account. However, it outlined that the costs are almost identical for male and female players in the development of juvenile amateur clubs as itself. Also, it affirmed that the professional clubs benefit from the investment made by amateur clubs.
21. Finally, the Claimant stated that it is looking only for recognition for its continuing investment in the development of women's football.
22. The Respondent presented its final comments, by means of which it provided further details on the remuneration of the player. It informed that the player concerned was paid 4,000 for the season 2008/09 and 5,250 for the season 2009/10 (an average amount of 4,625), and, additionally, that it covered the scholarship costs at university during the whole period, which totalled 7,000 *per annum*. In this respect, it

emphasised that those amounts are considerably higher than the average remuneration for a female player elsewhere due to the significant support of the men's club, A.

23. Furthermore, it alleged that the Claimant did not provide any details as to the costs incurred in training the player. Also, it highlighted the average training costs for a female player *per annum* provided by the FAY and stated that the training compensation claimed by the Claimant is far in excess of these figures. Therefore, further evidence is needed to substantiate the claim.
24. The Respondent denied having any sponsorship deal or receiving any revenue for television broadcast.
25. In addition, the Respondent insisted that the rules applied to the men's game cannot be applied to women's football, comparing the indicative amount of training costs for category IV clubs (10,000) to its annual turnover (10,000), and stressing that its application would make any women's team commercially unviable. Moreover, it explained that the support of the men's club, A, comprises several hundred thousand pounds a year, since its own turnover is limited. Therefore, without such support, the award of training compensation in the amount claimed would jeopardise the operation of any women's football team. Particularly, in this case, the magnitude of the claim could put in question the continuation of the support provided by the men's club, A, to the Respondent.
26. Finally, it once again stated that no training compensation should be payable to the Claimant.
27. FIFA invited both the FAX and the FAY to provide further information and evidence of the average amount invested by their clubs in the training of a female player, along with an explanation regarding the organisation of the women football at national level, as well as the situation/position of the concerned clubs within their respective organisation.
28. The FAX explained that the Women's Football Association of the country X (WFAX) was created in 1973 and became an affiliate of the FAX in 1991. Moreover, the WFAX is responsible for the organisation of the competition at national level, being constituted by an Executive Committee, a National Council and affiliated leagues. In particular, the FAX informed that the leagues operate in geographic areas and that there is also an informal provincial structure. National cup competitions are organized on an annual basis, being played at three levels: U-14, U-16 and U-18. In accordance with the FAX, the leagues differ in character, having different sizes and coverage. In general, the leagues have a divisional league competition, as well as cup competitions.
29. The FAX stated that the opportunity to identify and develop players within the Republic of X was significantly enhanced with the publication of the Women's Development Plan in 2006, as well as with the implementation of its programmes. It

emphasised that this has resulted in a growth of development opportunities for players in League Centres and Emerging Talent Centres.

30. Additionally, the FAX declared that historically the clubs operating in women's football were tended to cater for women only. In the last ten years, clubs are apparently being formed within the infrastructure of existing men's clubs. The FAX and the WFAX are allegedly supporting such growth in order to create a more sustainable and integrated approach to the increasing number of women involved in football.
31. The FAX declared that the Claimant has been recognised nationally as a club committed to the development of its players, investing in infrastructure and developing its coaching structures, taking players from introductory level to the highest level. Additionally, it stated that the Claimant has made all the effort to maintain competitive football for its players in the area where it is located and remained committed to their development. *"Despite the absence of organised league football over many years, the club established a strong presence at various underage levels in the national competitions, winning many provincial and national titles."*
32. Finally, the FAX submitted a report made by the Claimant regarding the development of girls and ladies football within the Claimant. In summary, the Claimant stated that it first took part in a competition in 1997, with a team of 20 players. Currently, it has U-12, U-14, U-16 and U-18 teams participating in local and national competitions. It also has a women's team in the national Women Senior Cup, as well as an academy for children between 6 and 10 years of age. Therefore, the Claimant has 120 female players, 90 of them being *"juveniles"*. The Claimant alleged that it has invested heavily in coaching and equipment to support the development of the game, and that the results are in the increasing number of its players on representative teams and international squads. It also described its recent titles at national level, as well as the players that participated in the national team and the ones with scholarship in the country U. Finally, a document was enclosed listing all the expenses to demonstrate the average training costs of a female player regarding the years 2008, 2009 and 2010. In this respect, the average training costs *per annum* for the years 2008, 2009 and 2010 were allegedly of EUR 916, EUR 978 and EUR 966, respectively.
33. On the other hand, the FAY explained the structure of the women's football in the country Y, attaching a diagram, showing that: *"There is a pyramid of Women's Football Leagues in the country Y, from local County Leagues at local level (Step 6) to the FAY Women's Premier League, which is played on at National level at the top (Step 1)."* The FAX also informed that a new Women's League called the FAY WSL is being launched in April 2011, which will be the top tier of Women's Football in the country Y, having eight teams participating in this competition. Furthermore, the FAY also explained that the women's clubs in the country Y vary in their organisation, since some are connected to men's professional clubs, receiving support, while others *"stand alone"*.
34. According to the FAY, most women's clubs finance their teams through player subscriptions and sponsorship, with the majority of their budgets being spent on

grounds and facility hire, as well as equipment and travel costs, since none of them own training facilities, and most of them must rely on hiring grounds from either men's clubs or local councils. Moreover, it affirmed that there are no professional Women's clubs in the country Y. In particular, it alleges that a number of players in the FAY WSL (new league) are contracted, but that none of them are paid a wage to play football, thus only receiving expenses and bonuses.

35. The FAY further explained the position of its affiliated club. According to the information provided, the Respondent is one of the eight teams of the new FAY WSL, a separate company from the men's club, A, and affiliated as a women's club. In addition, it is one of the country Y's representatives in the UEFA Women's Champions League this season, being also the current champions of the FAY Women's Premier League. Moreover, according to the FAY, it has fourteen players, but none of them is professional, receiving money to cover expenses or getting paid on a match by match basis. The players either have other jobs or are in full time education.
36. Finally, the FAY declared that it is difficult to determine the average training costs, considering that the budgets differ greatly among the clubs, but gives an estimate of the average costs of training a player in the new FAY WSL between 1,200 and 1,500 per season.

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

1. First of all, the Dispute Resolution Chamber (hereinafter also referred to as *the Chamber* or *the DRC*) acknowledged the facts and the documentation contained in the file.
2. The Chairman made reference to article 24 par. 1 and par. 2 of the Regulations on the Status and Transfer of Players (edition 2010; hereinafter: *the Regulations*) and stated that he would refrain from participating in the deliberations of the present case due to the fact that the Respondent is affiliated to the FAY, the national association of the country Y
3. Subsequently, the Chamber analysed which procedural regulations should be applicable to the case at hand. In this respect, it took note that the present matter was submitted to FIFA on 1 December 2008, thus after 1 July 2008. Consequently, the Rules Governing the Procedures of the Players' Status Committee and the Dispute Resolution Chamber (edition 2008; hereinafter: *the Procedural Rules*) are applicable to the matter at hand (cf. art. 21 par. 2 and 3 of the Procedural Rules).
4. In continuation, the members of the Chamber referred to art. 3 par. 1 of the Procedural Rules to examine their jurisdiction to analyse the present dispute.
5. First and foremost, the members of the Chamber confirmed that, in accordance with article 24 paragraph 1 in connection with article 22 lit. (d) of the Regulations,

the Dispute Resolution Chamber is, in principle, competent to hear disputes relating to training compensation between clubs belonging to different associations.

6. Consequently, the DRC proceeded to the analysis of article 20 of the Regulations, which states that training compensation shall be paid to a player's training club(s): (1) when a player signs his first contract as a professional and (2) each time a professional is transferred until the end of the season of his 23<sup>rd</sup> birthday.
7. In that regard, the members of the Chamber deemed it appropriate to discuss, on a preliminary basis, the objective pursued with the creation of the institution of the training compensation within the scope of the Regulations.
8. In this context, the DRC stressed that the training compensation system was first introduced in the 2001 edition of the Regulations on the basis of one of the key principles contained in the agreement reached between the European Commission, FIFA and UEFA in March 2001.
9. In continuation, the DRC pointed out that the current training compensation system was created considering the reality of the men's football. Indeed, the current training costs used for calculating the training compensation were established after a large and complete study of the relevant figures of the men's football. Moreover, the DRC recalled that the training compensation amounts were determined within the scope of an extensive process initiated by FIFA with the participation of all stakeholders and constituted a response to the needs of men's football after the challenge by the European Commission of the international transfer system in place.
10. Subsequently, the DRC recalled that the Regulations created a detailed system for the payment of training compensation, which encourages the training of young players and creates stronger solidarity among clubs by awarding financial compensation to clubs that have invested in training young players.
11. Bearing in mind the above, the participating members of the DRC unanimously concurred that the reality of women's football significantly differs from that of the men's game. The budgets, expenses and costs currently involved in each are certainly not comparable.
12. Therefore, after considering all the mentioned factors, the participating DRC members unanimously agreed that the existing training compensation system, **as such**, at least for the time being, cannot be applied to women's football that shows a scenario completely diverse from the men's football. In fact, while recognizing that the women's game has undisputedly made important progresses in recent times and its development is in constant raise, the grade of professionalism in women's football is still to be qualified as being at its beginnings. Only very few associations have already clubs affiliated to them whose teams engage professional female player. In



this respect, the DRC pointed out that even the FAY, whose female clubs, e.g. the Respondent, have already won the major European competitions for women's football, i.e. the UEFA Women's Champions League, states that women's football in Y has not yet reached a full professional status. The new FAY WSL will mainly comprise clubs paying their players only the expenses and bonuses, with the players still having another job or pursuing full-time education.

13. In this respect, the Chamber deemed it appropriate to stress that the system of training compensation currently provided for by the Regulations was established to serve the reality of the professional men's football, however, not to be applied in an environment like the current still in a developing phase status of the women's game.
14. In order to corroborate this statement, the DRC referred to the situation with regard to training compensation for futsal players. In this regard, the members made reference to Annexe 6, art. 9 of the Regulations, that establishes that *"the provisions on training compensation, as provided for in art. 20 and Annex 4 of the Regulations for the Status and Transfer of Players shall not apply to the transfer of players to and from futsal clubs"*.
15. Considering such provision, the DRC proceeded to analyse the reasoning of the inapplicability of the training compensation for futsal players. First and foremost, it considered that the reality of the futsal is undisputedly different from the men's eleven-a-side football, which would *per se* justify the established exception. In this regard, the DRC members held that futsal is developed only in certain regions and had not yet reached a consistent global coverage. Additionally, the grade of professionalism reached in futsal also lies far behind the one of eleven-a-side football. Insofar, according to the DRC, the situation may be considered as comparable to the one of the women's game.
16. The DRC, in particular, reiterated that women's football also presents a different background and different status from the eleven-a-side men's football. Moreover, the DRC acknowledged that indeed women's football has considerably developed in the past few years, but it is still in the process of expanding, gain strength and independency. In this respect, the DRC took note that according to the information provided by the FAY, there are no women's professional clubs in the country Y and that, according to the information provided by the FAX, the women's football is still in development in the country X. Moreover, it took note that the great majority of the clubs depends on financial aid from different parties to train the players and participate in the championships.
17. The members of the DRC, therefore, concluded that the current structure of the women's football shows that the women's football has also not yet achieved a highly developed grade of professionalism and, in analogy with the futsal clubs, the particularities of the women's game must be considered while applying the Regulations.

18. The Chamber, therefore, unanimously agreed that the current actual facts justify the non-applicability of training compensation to the women's game. In addition, the DRC deemed necessary to stress that the award of training compensation for the transfer of female players could possibly even hinder the further development of women's football and render the previous efforts to have been made in vain.
19. In conclusion, and taking into account all of the above considerations, the DRC decided that as exhaustively exposed above, in view of the ratio behind the institution of training compensation of the Regulations, the system of the training compensation shall, for the time being, not be applicable to women's football. Consequently, the present claim was declared not admissible.

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

The claim of the Claimant, club S, is inadmissible.

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**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

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Jérôme Valcke  
Secretary General

Encl.: CAS directives