

CAS 2023/A/10202 SK Slavia Praha a.s. v. 36 Lion Football Club

ARBITRAL AWARD

delivered by the

COURT OF ARBITRATION FOR SPORT

sitting in the following composition:

Sole Arbitrator: Prof. Dr. Eligiusz Krześniak, Attorney-at-Law in Warsaw, Poland

in the arbitration between

SK SLAVIA PRAHA - FOTBAL A.S., Prague, Czech Republic

Acting through Mr. Martin Riha, CEO and Vice-Chairman of the Board

-Appellant-

v.

36 LION FOOTBALL CLUB, Lagos, Nigeria

Represented by Mr. Pedro Macieirinha, Attorney-at-Law in Vila Real, Portugal

-Respondent-

I. PARTIES

1. SK SLAVIA PRAHA - FOTBAL A.S. (“SK Slavia” or the “Appellant” or “Slavia Praha”) is a Czech professional football club affiliated with the Football Association of the Czech Republic.
2. 36 LION FOOTBALL CLUB (“36 Lion” or the “Respondent”) is a Nigerian professional football club affiliated with the Nigeria Football Federation and registered with the Corporate Affairs Commission, Nigeria.
3. The Appellant and the Respondent are hereinafter jointly referred to as the “Parties”.

II. FACTUAL BACKGROUND

A. Introduction

4. The dispute in these proceedings revolves around a decision rendered by the FIFA Players’ Status Chamber (the “Chamber” or “PSC”) on 10 October 2023 (the “Appealed Decision” or the “Decision”) regarding a disputed transfer of player Moses Usor (the “Player”). The Chamber found that SK Slavia must pay 36 Lion EUR 6,857 as the outstanding amount.
5. The pertinent facts and allegations based on the Parties’ written submissions, on the CAS files, and on the 27 March 2023 hearing are summarized below. References to additional facts and allegations found in the Parties’ written and oral submissions, pleadings, and evidence will be made, where relevant, in connection with the legal analysis that follows. While the Sole Arbitrator has considered all the facts, allegations, legal arguments, and evidence submitted by the Parties in the present proceedings, this Award refers only to those submissions and evidence it deems necessary to explain its reasoning.

B. Background Facts

6. On 31 March 2022, the Parties entered into an agreement (the “Transfer Agreement”) regarding transferring the Player from the Respondent to the Appellant.
7. The following provisions of the Transfer Agreement are relevant to these proceedings:

"2. 36 LION grants to Slavia the exclusive option to prevent the return transfer of the player to 36 LION under the following cumulative conditions (the 'Permanent Option'):

- *Slavia shall pay to 36 Lion an aggregate fixed transfer fee of EUR 150,000.00 (one hundred fifty thousand euros) (to be increased with VAT, if applicable) (the "Transfer Fee"), in accordance with the following payment terms and after receipt of the corresponding invoice:*

- *EUR 100,000.00 (one hundred thousand euros) (to be increased with VAT, if applicable), payable on 15 July 2022;*
- *EUR 50,000.00 (fifty thousand euros) (to be increased with VAT, if applicable), payable on 10 December 2022.*
- *In addition to the Transfer Fee, Slavia shall pay to 36 Lion a one-time bonus fee of EUR 50,000.00 (fifty thousand euros) (to be increased with VAT, if applicable) (the 'Bonus Fee 1') under the condition that the Player appears in 10 (ten) official games of the first team of Slavia; the parties agree that the Player's appears can be for a 1 minute, for apart or for the full 90 minutes of the official game.*
- *In addition to the Transfer Fee, Slavia shall pay to 36 Lion a one-time bonus fee of EUR 50,000.00 (fifty thousand euros) (to be increased with VAT, if applicable) (the 'Bonus Fee 2', together with Bonus Fee 1 the 'Bonus Fees') under the condition that the Player appears in 20 (twenty) official games of the first team of Slavia; the parties agree that the Player's appears can be for a 1 minute, for a part or for the full 90 minutes of the official game.*
- *In addition to the Transfer Fee and the Bonus Fee, in case of the future transfer of the Player's registration from Slavia to another new club, 36 Lion will be entitled to receive 15% (fifteen percent) of the amounts actually received by SLAVIA in connection with the transfer of the Player to this another club exceeding the amounts paid or already due by SLAVIA to 36 LION (Transfer Fee and Bonus Fees).*
- *In addition to the Transfer Fee, the Bonus Fees and the First Sell-on Fee of the Player's registration from Slavia to another new club, in case of the future transfer of the Player's registration from the third club to a fourth new club, 36 Lion will be entitled to receive 15% (fifteen percent) of the amounts actually received by SLAVIA in connection with the transfer of the Player from the third club to the fourth club.*

These sell-on fees will be payable to 36 LION within 30 (thirty) days after receipt of the fee(s) by Slavia. In case of instalments, the sell-on fee shall be calculated pro rata to the instalment received by SLAVIA.

Slavia may exercise the Permanent Option by giving 36 Lion written notice in accordance with Section 'Notices' below, with the Permanent Option to be exercised no later than 11:59pm Central European Time Zone on 30 May, 2022. Upon the exercise of the Permanent Option, the parties agree that subject to the Player agreeing to terms to become professionally registered with. Slavia, they shall do all things necessary to complete the Player's permanent registration with Slavia at the first possible opportunity."

8. The Appellant paid the Respondent a fixed transfer fee of EUR 150,000 and two bonus fees of EUR 50,000, resulting in the total amount paid of EUR 250,000. In addition to

that, the Transfer Agreement provided for certain additional payments if the Player should transfer from SK Slavia to another club in the future (the “Sell-On Fee”).

9. On 18 January 2023, the Appellant loaned the Player to an Austrian club - LASK Linz (“Lask”) - with an eventual purchase obligation (the “Sell-On Agreement”).
10. The following Sell-On Agreement provisions are pertinent to this case:

“Article 3 - Transfer Fees

3.1 Loan Transfer Fee

1. LASK shall pay SLAVIA a fixed gross Loan Transfer Fee of 250.000.00 € (in words: two hundred fifty thousand Euros) (hereinafter referred to as the "Loan Transfer Fee") as a compensation for the loan transfer of the Player from SLAVIA to LASK

2. The Loan Transfer Fees payable according the following parent instalments:

- 250.000,00 € (in words: two hundred fifty thousand Euros), payable ultimately on July 15th 2023.*

3.2 Fixed Transfer Fee

1. LASK shall pay SLAVIA a fixed gross transfer fee of 1 500.000,00 € (in words: one million five hundred thousand Euros) (hereinafter referred to as the “Fixed Transfer Fee”) as a compensation for the permanent transfer of the economic and federative rights of the Player from SLAVIA to LASK.

2. The Fixed Transfer Fee is payable according the following payment instalments:

- 500.000,00 € (in words: five hundred thousand Euros), payable ultimately on February 15th 2024;*
- 250.000,00 € (in words: two hundred fifty thousand Euros), payable ultimately on July 15th 2024;*
- 250.000.00 € (in words: two hundred fifty thousand Euros), payable ultimately on February 15th 2025;*
- 250.000,00 € (in words: two hundred Fifty thousand Euros), payable ultimately on July 15th 2025;*
- 250.000.00 € (in words: two hundred fifty thousand Euros), payable ultimately on February 15th 2026.*

[...]

3.4 General

[...]

4. The Parties shall respectively bear all of the taxes, duties and other charges which may be applied in respect of the subject of this Agreement. Concerning VAT in particular, the Parties respectively undertake to apply the provisions in force and to proceed to the necessary declarations and payments within the period required.

5. For the avoidance of any doubt, all fees stipulated in the present article are inclusive of, if applicable, training compensation and solidarity contributions as defined in the FIFA Regulations on the Status and Transfer of Players. LASK is responsible for the distribution of the corresponding solidarity contributions to the respective training clubs, in accordance with the FIFA Regulations on the Status and Transfer of Players.

11. As follows from the Sell-On Agreement, Slavia and Lask agreed that Lask will pay Slavia a loan fee (the “Sell-On Loan Payment”) and a transfer fee (the “Sell-On Transfer Payment”; jointly referred to as the “Lask Transfer Fee”). The Lask Transfer Fee amounts to EUR 1,750,000.
12. On 26 July 2023, the Respondent invoiced the Appellant for EUR 37,500, i.e. 15% of the first instalment of EUR 250,000 allegedly due under the Sell-On Agreement.
13. On 28 July 2023, the Respondent gave the Appellant 10 days to remedy the alleged payment default of EUR 37,500.
14. On 1 August 2023, the Appellant noted that the total due amount of EUR 1,750,000 had been calculated incorrectly. In the exchanged correspondence, the Appellant stated that both the solidarity payment of EUR 70,000 and the amounts paid under the original Transfer Agreement totalling EUR 250,000 must be deducted from the total amount when calculating the pertinent 15%. The Appellant stated that the amount due had been EUR 30,643.
15. On 4 August 2023, the Respondent replied to the Appellant stating that the correct amount is EUR 37,500 (and not EUR 30,643), and granted it another 10-day deadline.
16. On 9 August 2023, the Appellant wrote to 36 Lion explaining that the Respondent’s interpretation of the Transfer Agreement does not reflect the Parties’ true intentions. The Respondent is undoubtedly entitled to receive the 15% Sell-On Fee.
17. On the same day, the Respondent confirmed the previous default notice and requested the payment.
18. On 21 August 2023, the Appellant paid EUR 30,643.

C. Proceedings before PSC

19. On 21 August 2023, 36 Lion lodged a claim against SK Slavia. 36 Lion requested that the claim be accepted and sought to have SK Slavia pay EUR 37,500 (thirty-seven thousand and five hundred EUR) as the 15% Sell-On Fee over the first instalment agreed upon the Player's transfer.
20. On 7 September 2023, SK Slavia replied to 36 Lion's claim and requested to have the claim dismissed and the proceedings discontinued. Moreover, SK Slavia emphasized that it had attempted to resolve the matter before initiating the proceedings, hence 36 Lion should bear all the costs.
21. On 10 October 2023, PSC issued the Decision. The operative part of the Decision states as follows:

1. The claim of the Claimant, 36 Lion Football Club, is partially accepted.

2. The Respondent, SK Slavia Praha, must pay to the Claimant EUR 6,857 as outstanding amount.

3. Any further claims of the Claimant are rejected.

4. A warning is imposed on the Respondent.

5. Full payment (including all applicable interest) shall be made to the bank account indicated in the enclosed Bank Account Registration Form.

6. Pursuant to art. 24 of the Regulations on the Status and Transfer of Players, if full payment (including all applicable interest) is not made within 45 days of notification of this decision, the following consequences shall apply:

1. The Respondent shall be banned from registering any new players, either nationally or internationally, up until the due amount is paid. The maximum duration of the ban shall be of up to three entire and consecutive registration periods.

2. The present matter shall be submitted, upon request, to the FIFA Disciplinary Committee in the event that full payment (including all applicable interest) is still not made by the end of the three entire and consecutive registration periods.

7. The consequences shall only be enforced at the request of the Claimant in accordance with art. 24 par. 7 and 8 and art. 25 of the Regulations on the Status and Transfer of Players.

8. The final costs of the proceedings in the amount of USD 1,000 are to be paid by the Respondent to FIFA. FIFA will reimburse to the Claimant the advance of

costs paid at the start of the present proceedings (cf. note relating to the payment of the procedural costs below).

22. On 24 October 2023, SK Slavia requested the grounds for the Decision, per the Decision's caution notice and the FIFA regulations.
23. On 17 November 2023, the Decision was notified to the Parties with the grounds. In substance, PSC considered, inter alia, the following:

"31. The Single Judge recalled the lines of reasoning presented by the parties, firstly the Claimant, according to whom the Respondent failed to remit the remaining amount of EUR 6,857 from the sell on fee due on account of the sale of the player to a third club, by virtue of the Transfer Agreement and Sell On Agreement. The Claimant insisted that there were no deductions specified in either agreement, and that thus the full amount due corresponded to EUR 37,500.

32. On the other hand, the Single Judge took note of the Respondent's submission, according to whom it has fulfilled its obligations as it had remitted EUR 30,643 on 21 August 2023, and that the Transfer Agreement specified that the sell on fee is calculated on the basis of "the actual amount received (...) exceeding the amounts paid or already due" to the Claimant. In light of this wording, the Respondent insisted that the fixed transfer fee, conditional bonus fee(s) and any further deductibles such as solidarity payments are to be considered when determining the sell on fee payable to the Claimant.

33. Prior to entering the analysis of the parties' respective submissions, the Single Judge recalled the wording of art. 13 par. 5 of the Procedural Rules, in accordance with which a party that asserts a certain fact also bears the burden of proving its veracity.

34. The Single Judge then revisited the wording of the provision which stipulated the obligation of paying a sell on fee to the Claimant in case of a subsequent transfer of the concerned player from the Respondent to a third club. The clause read as follows:

"In addition to the transfer fee and bonus fee, in case of the future transfer of the player's registration from Slavia to another new club, 36 Lion will be entitled to receive 15% of the amounts actually received by Slavia in connection with the transfer of the player to this another club exceeding the amounts paid or already due by Slavia to 36 Lion."

35. Having analysed the wording of said provision, the Single Judge firstly wished to address that, from an objective reading of the clause, neither the transfer fee nor the bonus fee should be considered deductible from the principal amount upon which the sell on fee is determined.

36. *The Single Judge opined that it was clear that the above wording represented merely a reflection that, apart from a fixed transfer fee and conditional bonus fees resulting from said transfer, a sell on fee is payable in the eventuality that the player is transferred for an amount to a third club. In other words, the Single Judge firmly rejected the notion that the parties could have truly intended the transfer fee and conditional bonuses to be deductible for the sake of calculating the sell on fee when drafting the terms of the Transfer Agreement.*

37. *Having established this, the Single Judge turned to the question of deducting amounts payable on the basis of solidarity contributions. In this respect, the former considered that, whilst the Sell On Agreement specifies that the principal fee for the sale of the player to LASK is “inclusive of solidarity deductions”, it was silent on whether these deductions are made directly from the transfer fee payable by LASK to the Respondent, or subsequently to be reimbursed by the latter. It is, from solely the wording of the above clause, unclear whether or not the “amounts actually received” as a result of the player to the third club encompass solidarity deductions or not.*

38. *Furthermore, the Single Judge observed that the Respondent provided no proof of receipt of the actual amount received from LASK as a result of the transfer. The Single Judge equally wished to refer to the evidence available to him on TMS, as the file of the player’s transfer revealed that there is currently no allocation statement produced on the basis of said transfer, meaning that, at face value, the Respondent is in receipt of the full amount of EUR 250,000 and no solidarity being deducted yet.*

39. *Consequently, the Single Judge deemed that the Respondent, who carried the burden of proving that deductions may be made from the principal amount received to calculate the sell-on fee, had failed to meet the standard set by art. 13 par. 5 of the Procedural Rules.*

40. *Therefore, the Single Judge concluded that the Respondent was liable to pay the remaining amount of the sell on fee as required under the Transfer Agreement.*

41. *The first instalment of the player’s transfer fee under the Sell On Agreement amounted to EUR 250,000. Pursuant to the Transfer Agreement, the sell on fee due to the Claimant corresponded to 15% of the aforementioned transfer fee. Thus, the appropriate figure representing the first instalment of the sell on fee due to the Claimant was $EUR\ 250,000 \times 0.15 = EUR\ 37,500$.*

42. *The Single Judge recalled that the Respondent had remitted EUR 30,643, meaning that an amount of EUR 6,857 had still remained outstanding.”*

III. PROCEEDINGS BEFORE THE COURT OF ARBITRATION FOR SPORT

24. On 7 December 2023, the Appellant filed with CAS the Statement of Appeal against the Decision pursuant to Article 57(1) of the FIFA Statutes and to Article R48 of the Code of Sports-Related Arbitration (the “CAS Code”), and requested that the appeal be submitted to a sole arbitrator.
25. On 14 December 2023, the Respondent provided the Power of Attorney and informed that it accepts submitting the matter to a sole arbitrator, if one is selected from the football section.
26. On 15 December 2023, the Appellant filed its Appeal Brief pursuant to Article R51 of the CAS Code.
27. On 29 December 2023, FIFA informed CAS about waiving its right to request its possible intervention in the present arbitration proceedings.
28. On 15 January 2024, the CAS Court Office informed the Parties that Prof. Dr. Eligiusz Krzeński, Attorney-at-Law in Warsaw, Poland had been appointed by the President of the Appeals Arbitration Division of the CAS as the Sole Arbitrator to decide the dispute.
29. On 2 February 2024, the Respondent filed the Answer to the Appeal Brief pursuant to Article R55 of the CAS Code.
30. On 27 March 2024, the scheduled hearing was held before the Sole Arbitrator. Besides Ms. Sophie Roud, CAS Counsel, the following participants attended the hearing:

For the Appellant:

Mr. Vojtech Cerny, Legal Department Head of the Appellant

For the Respondent:

Mr. Joaquim de Almeida Pizzarro, Representative of the Respondent

Mr. Pedro Macieirinha, Representative of the Respondent

31. At the conclusion of the hearing, the Parties expressly stated that they had no objections in respect of their right to be heard.

IV. SUBMISSIONS OF THE PARTIES

32. This section of the Award does not exhaustively list the Parties' contentions, its aim being to summarize the substance of the Parties' main arguments. In considering and deciding upon the Parties' claims in this Award, the Sole Arbitrator has accounted for and carefully considered all the submissions made and evidence adduced by the Parties, including the allegations and arguments not mentioned in this section of the Award or in the discussion of the claims below.

A. The Appellant's Position

33. The Appellant's submissions in support of its appeal against the Appealed Decision may, in essence, be summarized as follows:
34. First and foremost, the Appellant submits that it does not dispute the Respondent's payment entitlement, but it fundamentally rejects the Respondent's calculation and disagrees with the Decision.
35. According to the Appellant, the due amount had been miscalculated because the Sell-On Fee referred to in the Transfer Agreement had been erroneously interpreted.
36. The Appellant states that, first, the calculation basis should include the 4% solidarity payment (per the FIFA regulations, as the player had not reached the age for the full 5% to be disbursed). That amount should have been deducted from the Lask Transfer Fee.
37. Moreover, the Appellant indicates that the Sell-On Fee should have been calculated only on the amount exceeding the transfer fee and the bonus fees paid by or already due from SK Slavia to 36 Lion. Therefore, the total amount of those fees should be as follows: EUR 250.000,00 should be subtracted from the Lask Transfer Fee to correctly determine the basis for the subsequent calculation of the 15% Sell-On Fee. The Appellant further emphasizes that:

"the Basis represents the amounts actually received by SK Slavia in connection with the transfer of the Player to LASK exceeding the amounts paid or already due by SK Slavia to 36 Lion and hence, according solely to the wording of the Transfer Agreement, the Appellant used the Basis for calculating the 15% sell-on fee due to the Respondent."

38. The Appellant emphasized that the obligation to pay the Respondent EUR 30,643 as the first instalment due had been fulfilled.
39. Additionally, the Appellant states that:

"the Appellant has been proactive in its communication with the Respondent from the very beginning and has attempted to resolve the situation, as stated by Exhibit 4 and Exhibit 6 of this Appeal Brief. However, in view of the above, it could not in any way agree with the

Respondent's calculation, which is in clear contradiction with the wording of the Transfer Agreement and, as a matter of fact, CAS established jurisprudence”.

40. In the Appeal Brief dated 15 December 2023, the Appellant requested as follows:

“1. To rule that that the Decision of the Players' Status Chamber is amended as follows:

A. All claims of the Respondent, 36 Lion Football Club, are rejected.

B. The warning imposed on the Appellant is therefore lifted.

2. The Respondent shall bear all the arbitration costs, if any, and shall be ordered to reimburse the Appellant for the CAS Court Office Fee of CHF 1.000 as well as any other advances of costs paid by the Appellant.

3. The Respondent shall be ordered to reimburse all the other costs incurred by the Appellant in the framework of these proceedings.

B. The Respondent's Position

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

42. The Respondent submits that the Appellant had not paid the full Sell-On Fee amount referred to in the Transfer Agreement, therefore, the Decision should be upheld. The Respondent presents several arguments to support this conclusion.

43. The Respondent notes that the Sell-On Fee is in no way related to the solidarity deduction of EUR 70,000.00, nor to the already paid fees and bonuses of EUR 150,000.00 (fixed - EUR 150,000.00, 10 matches - EUR 50,000.00, 20 matches - EUR 50,000.00). The calculations presented by the Appellant result from an erroneous interpretation of the Transfer Agreement.

44. 36 Lion states that it is entitled to a 15% Sell-On Fee under the Transfer Agreement. Since the first instalment the Appellant was to receive amounted to EUR 250,000, the Respondent asserted that it was entitled to EUR 37,500 (15% of 250,000 is 37,500).

45. The Respondent further explained that:

“the terminology “amounts actually received by the Respondent exceeding the amounts paid or already due by Slavia to 36 Lion” could under no circumstances mean that any amounts paid as part of the Transfer Agreement must be deducted from the calculation of the sell on fee.”

46. The Respondent states that the Sell-On Fee clause is clear, and the word “exceeding” does not mean deduct.

47. Moreover, 36 Lion emphasized that it was the Appellant that drafted the Transfer Agreement, so per the doctrine of *in dubio contra stipulatorem*, if the Sell-On Fee clause were unclear, then it should be interpreted in the Respondent's favour.

48. The Respondent further emphasized that:

"the Respondent accepts the Merits of the dispute and the Decision considered by the Single Judge."

49. In the Answer to the Appeal Brief, the Respondent submitted the following requests for relief:

"The Appeal shall be rejected and dismissed as unproven;

The CAS shall maintain the appealed decision;

a) The Appellant shall be condemned to pay the Respondent, the amount EUR 6,857;

b) A warning shall be imposed on the Appellant;

c) The Appellant shall bear all the arbitration costs, if any, and shall be ordered to reimburse all the costs incurred by the Respondent in the framework of these proceedings."

V. JURISDICTION OF THE CAS

50. Article R47(1) of the CAS 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."

51. Article 57(1) of the FIFA Statutes (2022 edition) 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."

52. In addition, the Appealed Decision provides as follows:

"According to article 57 par. 1 of the FIFA Statutes, this decision may be appealed against before the Court of Arbitration for Sport (CAS) within 21 days of receipt of the notification of this decision."

53. Furthermore, the Transfer Agreement reads as follows:

“THIS Agreement shall be governed by and interpreted in accordance with the laws of Czech Republic and the FIFA Regulations. Any and all disputes will be handled by the competent FIFA committee. In the event that FIFA shall not be competent to hear any particular dispute arising out of or in connection with this Agreement, such dispute shall be finally settled in accordance with the Rules of the Code of Sports-related Arbitration of the Court of Arbitration for Sport and the language for such proceedings shall be English.”

54. The 10 October 2023 Decision was issued by a legal body of FIFA, i.e. the Players’ Status Chamber. Neither of the Parties objected to CAS’ jurisdiction.

55. As a result, CAS has jurisdiction to hear and adjudicate the case.

VI. ADMISSIBILITY OF THE APPEAL

56. Pursuant to Article R49 of the CAS Code:

“In the absence of a time limit set in the statutes or regulations of the federation, association or sports-related body concerned, or in a previous agreement, the time limit for appeal shall be twenty-one days from the receipt of the decision appealed against. The Division President shall not initiate a procedure if the statement of appeal is, on its face, late and shall so notify the person who filed the document. When a procedure is initiated, a party may request the Division President or the President of the Panel, if a Panel has been already constituted, to terminate it if the statement of appeal is late. The Division President or the President of the Panel renders her/his decision after considering any submission made by the other parties.”

57. Article 57(1) of the FIFA Statutes (2022 edition) 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.”

58. The Appealed Decision was issued on 10 October 2023, notified to the Parties on 17 November 2023, and the Appellant filed its Statement of Appeal on 7 December 2023.

59. Therefore, the Appeal is admissible.

VII. APPLICABLE LAW

60. Article R58 of the CAS 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.”

61. Article 56(2) of the FIFA Statutes (2022 edition) provides as follows:

“The provisions of the CAS Code of Sports-related Arbitration shall apply to the proceedings. The CAS shall primarily apply the various regulations of FIFA and, additionally, Swiss law.”

62. The Transfer Agreement reads as follows:

“THIS Agreement shall be governed by and interpreted in accordance with the laws of Czech Republic and the FIFA Regulations.”

63. Thus, considering the above, the Sole Arbitrator finds that the dispute in question must be first resolved according to the “applicable regulations”, i.e. the rules and regulations of FIFA and subsidiarily according to the Czech law, as the law of the Parties’ choosing for interpreting the Transfer Agreement. In addition, the “applicable regulations” provide that the Swiss law shall also be applied subsidiarily, i.e. when applying and interpreting the various FIFA regulations.

VIII. MERITS

64. This matter essentially boils down to calculating the 15% Sell-On Fee referred to in the Transfer Agreement.

65. The Respondent’s position and PSC’s position, as presented in the Appealed Decision, essentially equate the language of the Transfer Agreement:

*“In addition to the Transfer Fee and the Bonus Fee, in case of the future transfer of the Player's registration from Slavia to another new club, 36 Lion will be entitled to receive 15% (fifteen percent) of the amounts **actually received** by SLAVIA in connection with the transfer of the Player to this another club **exceeding the amounts paid or already due by SLAVIA to 36 LION (Transfer Fee and Bonus Fees)**”*

and a hypothetical sentence

“In addition to the Transfer Fee and the Bonus Fee, in case of the future transfer of the Player's registration from Slavia to another new club, 36 Lion will be entitled to receive

*15% (fifteen percent) of the amounts **due** to SLAVIA in connection with the transfer of the Player to this another club, **as specified in a contract with this another club**".*

66. The following passage from Clause 41 of the Appealed Decision justifies the above conclusion: *"The first instalment of the player's transfer fee under the Sell On Agreement amounted to EUR 250,000. Pursuant to the Transfer Agreement, the sell on fee due to the Claimant corresponded to 15% of the aforementioned transfer fee. Thus, the appropriate figure representing the first instalment of the sell on fee due to the Claimant was $EUR\ 250,000 \times 0.15 = EUR\ 37,500$ ".* Therefore, the Single PSC Judge concluded that no deductions have been specified in the Transfer Agreement.
67. In brief, PSC used the EUR 250,000 transfer fee - specified in the contract in place between the Appellant and the third club - as the point of departure for calculating the 15% Sell-On Fee, thus arriving at EUR 37,500.
68. In so doing, PSC:
69. First, considered the amount indicated in the contract in place between the Appellant and the third club (EUR 250,000) and the amount actually received from the third club as identical amounts. PSC assumed that the amount actually received by Slavia was exactly the same as that specified in the contract in place with the third club. PSC concluded so based on the evidence gathered in the case at the time.
70. Second, considered that using the phrase *"exceeding the amounts paid or already due by SLAVIA to 36 LION (Transfer Fee and Bonus Fees)"* is actually insignificant in legal terms, since 15% ought to be calculated on the entire amount received from the third club (or specified in the contract in place with such a club) - then no subtractions of the amounts paid or already received are justified.
71. Evidently, the dispute thus stems chiefly from the Parties' different interpretations of two phrases from the Transfer Agreement: "amounts actually received" and "exceeding the amounts", and from the meaning – or its absence – which they respectively ascribe to those phrases.
72. The starting point for resolving this dispute is the literal interpretation of the Transfer Agreement and the Sell-On Agreement. Then, the Sole Arbitrator ought to consider the Parties' provisions and intentions.
73. The following questions may be posed regarding the issue.

Question no. 1.

Should the Sell-On Fee amount be determined based on the amount received by Slavia Praha from the third club, or based on the amount specified in the Sell-On Agreement with the third club?

Question no. 2.

Should the Transfer Fee or the Bonus Fee be considered as deductible from the principal amount upon which the Sell-On Fee is determined?

74. Ad. Question no. 1.

Should the Sell-On Fee amount be determined based on the amount received by Slavia Praha from the third club, or based on the amount specified in the Sell-On Agreement with the third club?

75. Under the Transfer Agreement, 36 Lion is entitled to receive 15% (fifteen percent) of the amounts actually received by SK Slavia in connection with the Player's transfer to another club. Therefore, to correctly determine the amount due to the Respondent, it is necessary to identify the amount that the Appellant had actually received from Lask.
76. In the Sell-On Agreement, Lask agreed to pay SK Slavia a total fixed gross transfer fee (the Lask Transfer Fee, as defined earlier) of EUR 1,750,000.00, with the first payment of EUR 250,000 due on 15 July 2023.
77. However, the Sell-On Agreement also indicates that all fees are inclusive of, if applicable, training compensation and solidarity contributions, as defined in the FIFA Regulations on the Status and Transfer of Players. Disbursing the applicable solidarity contributions to the respective training clubs was Lask's responsibility.
78. To resolve this issue, the Transfer Agreement must be accurately interpreted literally. The Sole Arbitrator finds that the phrase "amounts actually received" means the amount effectively obtained by SK Slavia, i.e. the amount transferred to it by Lask. When analyzing the amount in question, one should consider the actual circumstances, rather than the amount, as specified in the documents.
79. The Sole Arbitrator finds the same position is in fact presented in the Decision. According to the grounds for the Decision:

"[...] the Respondent provided no proof of receipt of the actual amount received from LASK as a result of the transfer. The Single Judge equally wished to refer to the evidence available to him on TMS, as the file of the player's transfer revealed that there is currently no allocation statement produced on the basis of said transfer, meaning that, at face value, the Respondent is in receipt of the full amount of EUR 250,000 and no solidarity being deducted yet."

80. In other words, it is reasonable to agree with PSC's position that the amount actually received can be considered the amount indicated in the Sell-On Agreement, only in the absence of evidence to the contrary provided by either Party. SK Slavia carried the burden of proving that the amount received to calculate the Sell-On Fee had been deducted.

81. With regard to demonstrating receiving a lower amount than that indicated in the Sell-On Agreement, the Sole Arbitrator notes that the situation is now different than it had been when PSC issued the Appealed Decision, because in the current CAS proceedings, the evidence regarding the “amounts actually received” has been presented.
82. According to Exhibit 19 to the Appeal Brief, the amount actually received was EUR 240,000. This corresponds to the Appellant’s statements, in which it argued that the Sell-On Fee amount should be determined based on the net transfer fee, i.e. the full transfer fee minus the solidarity payment amount. The Appellant further stated that the 4% solidarity payment (per the FIFA regulations, as the player had not reached the age for the full 5% to be disbursed) was correctly withheld and further disbursed to the respective clubs by Lask.
83. Hence, the evidence and the circumstances of the case demonstrate that the total of EUR 240,000 had actually been received by the Appellant and the EUR 10,000 had been withheld as the solidarity payment per the Transfer Agreement, the Sell-On Agreement and the FIFA regulations.
84. Summarizing this part of the analysis, the Sole Arbitrator notes that the Sell-On Fee amount should be determined based on the amount effectively obtained, so the amount specified in the Sell-On Agreement might be deductible by the training compensation and the solidarity contributions.
85. Thus, in any event, the point of departure for calculating the 15% Sell-On Fee will be EUR 240,000 and not EUR 250,000. Irrespective of the outcome of the analysis regarding Question no. 2, the Appeal will need to be at least partially accepted to reflect this.

Question no. 2.

Should the Transfer Fee or the Bonus Fee be considered as deductible from the principal amount upon which the Sell-On Fee is determined?

86. This question revolves around interpreting the Parties’ intentions as to another phrase in the Transfer Agreement: “exceeding the amounts”, as the Transfer Agreement states that the Sell-On Fee is due in addition to the transfer fee and the bonus fee **exceeding the amounts paid by or already due from SK Slavia to 36 Lion (Transfer Fee and Bonus Fees)**.
87. Both Parties understand this part of the Transfer Agreement differently. Their different approaches stem from their opposing interpretations and contradicting positions as to their intentions in incorporating Clause 2 into the Transfer Agreement.
88. The Appellant believes that the total transfer fee and bonus fees amounts must be deducted to correctly determine the basis for the subsequent Sell-On Fee calculation. SK Slavia emphasizes that the net transfer fee exceeds the amounts paid by or already due from SK Slavia to 36 Lion (Transfer Fee and Bonus Fees) and, hence, the deduction is required.

89. On the other hand, the Respondent emphasized that the terminology could not mean that any amounts paid as part of the Transfer Agreement must be deducted from the Sell-On Fee calculation. 36 Lion highlights that “exceeding” does mean “deduct”.
90. The Sole Arbitrator notes that to properly settle this question, it does not suffice to determine the literal meaning of the phrase “exceeding the amounts”, but one must consider the language of the subsequent Transfer Agreement paragraphs and the Parties’ intentions in broader terms.
91. PSC did explain, to a certain extent, what the parties had intended to achieve. In the Single Judge’s view: *“the above wording represented merely a reflection that, apart from a fixed transfer fee and conditional bonus fees resulting from said transfer, a sell on fee is payable in the eventuality that the player is transferred for an amount to a third club”*.
92. In other words, the Single Judge believed that the parties had not intended to ascribe any meaning to the relevant passage other than merely reflecting that the Transfer Fee and the Bonus Fees have otherwise been mentioned in the Transfer Agreement.
93. The Sole Arbitrator finds it difficult to accept for the following reasons.
94. First, the Parties are both professional and experienced entities that had entered into a binding agreement, intentionally giving certain phrases specific and deliberate meaning. One should assume that when parties to a contract include certain language in the contract’s provisions, they do so with the view to ascribe such provisions certain meaning.
95. Second, the Parties did mention in the relevant clause that the Transfer Fee and the Bonus Fees are otherwise listed in the Transfer Agreement – as the Single Judge wanted – but they did so in the opening part of that clause *“In addition to the Transfer Fee and the Bonus Fee [...]”* and not at its end. There is no other explanation for the Parties referring to the Transfer Fee and the Bonus Fees **twice** in that clause than them intending to ascribe the phrases some meaning - at least the second time.
96. Third, the Sole Arbitrator notes that the Transfer Agreement addresses the Sell-On Fee in not one, but two of its clauses. When juxtaposing both clauses pertinent to this matter, the intended meaning of the phrase “exceeding the amounts” becomes clearer. The following two passages of Transfer Agreement read as follows:

“- In addition to the Transfer Fee and the Bonus Fee, in case of the future transfer of the Player's registration from Slavia to another new club, 36 Lion will be entitled to receive 15% (fifteen percent) of the amounts actually received by SLAVIA in connection with the transfer of the Player to this another club exceeding the amounts paid or already due by SLAVIA to 36 LION (Transfer Fee and Bonus Fees).

- In addition to the Transfer Fee, the Bonus Fees and the First Sell-on Fee of the Player's registration from Slavia to another new club, in case of the future transfer of the Player's registration from the third club to a

fourth new club, 36 Lion will be entitled to receive 15% (fifteen percent) of the amounts actually received by SLAVIA in connection with the transfer of the Player from the third club to the fourth club.”

97. Only the first passage refers to “exceeding the amounts”. The Respondent’s arguments align with the meaning of the second passage, although this CAS case is limited to the Sell-On Fee, as specified in the first passage cited above.
98. Had the Parties merely intended to mention the earlier payments, without ascribing them any specific meaning, they should have ended the second passage, cited above, in the same manner, e.g. with the words “*exceeding the amounts paid or already due by SLAVIA to 36 LION (Transfer Fee, Bonus Fees **and the First Sell-on Fee**)*” or something to that effect.
99. They did not. The first and second passages differ in terms of their construction. This, in turn, indicates that the Parties had intentionally added the relevant phrase to the first passage.
100. That being the case, the two passages quoted above cannot both have the same meaning. Therefore, this should be taken into account when interpreting the language of the Transfer Agreement.
101. Fourth, the logical explanation of the Parties’ intentions is also that the Sell-On Fee should only be due if SK Slavia turns a profit on the Player’s transfer to another club. In a hypothetical scenario of SK Slavia selling (or loaning) the Player to Lask for 250,000 EUR, SK Slavia would not profit on such a transfer (the Transfer Fee under the Transfer Agreement = 250,000; if the transfer fee in the Sell-On Agreement were 250,000 EUR [and not more, which is the case] the actual profit would be 0).
102. One should assume that the idea behind the Sell-On Fee is to allow for the first club (in this CAS case - 36 Lion) to benefit from developing the Player and increasing their value, as reflected by the increase of the subsequent transfer fees from the second club (in this CAS case - Slavia Praha) to a third club (in this CAS case - Lask), and so forth.
103. If the value does not increase, logically no further Sell-On Fees are justified, as the club purchasing the Player merely recovers its original costs (not even in full, accounting for inflation, and the like). Therefore, the Parties may very well - if they so elect - arrange for a payment mechanism that only takes into account the increase of the Player’s value). One such mechanism is to deduct the original transfer price from the amount based on which any further sell-on fees are to be calculated.
104. Finally, the Sole Arbitrator notes that neither the Respondent, nor PSC managed to meaningfully explain what meaning the Parties intended to ascribe to the reference to “*exceeding the amounts paid or already due by SLAVIA to 36 LION (Transfer Fee and Bonus Fees)*”. This further argues in favour of assuming that the Parties had intended to deduct the Transfer Fee and the Bonus Fees from the amount on which the 15% Sell-On Fee should be calculated.

105. In view of the above, the Sole Arbitrator notes that the Sell-On Fee due as the first installment is EUR 30,634 or less. Since the Appellant did pay the Respondent EUR 30,634, no further claims may be lodged with respect to the Sell-On Fee due for the first installments. The calculations in question are as follows:
106. The Lask Transfer Fee comprises the Sell-On Loan Payment (EUR 250,000) and the Sell-On Transfer Payment (EUR 1,500,000). The Lask Transfer Fee (the amount due to Slavia from Lask), thus, is EUR 1,750,000. It shall be paid in instalments. The first installment due from Lask to SK Slavia was EUR 250,000.
107. As specified when answering Question no. 1 above, when calculating the correct Sell-On Fee amount with respect to the first installment, one must draw on the amount actually received by the Appellant from 36 Lion, i.e. EUR 240,000. This is the point of departure for any further Sell-On Fee calculations.
108. Thereafter, it is necessary to deduct certain previous payments which the Parties considered material in the Transfer Agreement. As is evident from the above reasoning, the Sole Arbitrator believes that the Parties had agreed to take into account the Transfer Fee and the Bonus Fees when determining the Sell-On Fee amount. The Parties structured the Transfer Agreement so that the Transfer Fee and the Bonus Fees are deducted from the Lask Transfer Fee amount.
109. To date, Slavia has not received the entire Lask Transfer Fee. Therefore, neither the entire Lask Transfer Fee, nor the entire Sell-On Fee can be definitively confirmed.
110. However, one can formulate certain assumptions.
111. First, one can assume that if the Solidarity Contribution was deducted from the first instalment, it will also be deducted from all subsequent instalments in the same amount.
112. Based on that, the resulting amount that Slavia should receive will be EUR 1,680,000 (EUR 1,700,000 – EUR 70,000 = EUR 1,680,000).
113. Second, one must assume that the Transfer Fee and the Bonus Fees, in their entirety, shall be deducted from the Lask Transfer Fee. This gives EUR 1,430,000 (EUR 1,680,000 – EUR 250,000 = EUR 1,430,000).
114. As per the Transfer Agreement, the entire Lask Transfer Fee is to be paid in six instalments – six of them of EUR 250,000 and one of EUR 500,000.
115. To make the calculations easier let us assume that the single EUR 500,000 installment is equal to two EUR 250,000 installments. The quotient of dividing EUR 1,430,000 by seven is EUR 204,285, whereas 15% of EUR 204,285 is EUR 30,643, i.e. exactly the amount that Slavia has already paid the Respondent.
116. For those reasons, the Respondent's additional payment claim (exceeding the EUR 30,643 already received) related to the first installment of EUR 250,000 is unfounded and the Decision must be annulled.

117. By way of a digression and illustrative purposes only, the Sole Arbitrator wishes to note that at this point, it is impossible to determine whether Slavia will receive the entire Lask Transfer Fee. Lask may possibly default on its payment obligations toward Slavia. Yet, such a default would have an even more detrimental effect on the Respondent and would provide further rationale for annulling the Decision. For instance, that being the case, one might consider claiming that the Transfer Fee and the Bonus Fees ought to be deducted from the amount actually received by Slavia, i.e. lower than the Lask Transfer Fee, thus pushing the Sell-On Fee even lower. The Sole Arbitrator is aware that such action might on the other hand be viewed as potentially violating Clause 2 of the Transfer Agreement, in which the Parties agreed that in the case of payment in installments, the Sell-On Fee shall be calculated pro rata to the installment actually received by Slavia. The Sole Arbitrator does not need to resolve this issue in this case and the purpose of the above illustrative example is to only point out that Slavia voluntarily paid the Respondent EUR 30,643.00 (15% of EUR 204,285) and therefore it must have assumed that it will eventually receive the entire Lask Transfer Fee.
118. Last, referring to the warning, the Sole Arbitrator found that SK Slavia did not violate its obligations to 36 Lion and, therefore, the warning is not justified.

IX. COSTS

(...).

ON THESE GROUNDS

The Court of Arbitration for Sport rules that:

1. The Appeal filed on 7 December 2023 by Slavia Praha against the Decision rendered on 10 October 2023 by the Players' Status Chamber is upheld.
2. The Decision issued on 10 October 2023 is set aside.
3. (...).
4. (...).
5. All other and further motions or prayers for relief are dismissed.

Seat of arbitration: Lausanne, Switzerland

Date: 22 April 2025

COURT OF ARBITRATION FOR SPORT

Eligiusz Krześniak
Sole Arbitrator