

# Decision of the Single Judge of the Players' Status Committee

passed on 27 February 2020,

by

**Johan Van Gaalen** (South Africa)

Single Judge of the Players' Status Committee,

on the claim presented by the coach,

**Carlos Manuel Brito Leal Queiroz**, Portugal  
represented by Ms Sofia Vaz Sampaio, Mr Dzhamil Oda & Mr Diogo Pinto

*as Claimant*

against the

**IR Iran Football Federation**, Iran

*as Respondent*

regarding a contractual dispute arisen between the parties.

## I. Facts of the case

1. On 28 August 2018, the Portuguese coach, Carlos Manuel Brito Leal Queiroz (hereinafter: *the coach* or *the Claimant*), concluded an employment contract with the Islam Republic of Iran Football Federation (hereinafter: *the IRIFF* or *the Respondent*), valid as from 1 August 2018 until 1 February 2019.
2. According to art. IV par. 1 and 2 of the employment contract, the Claimant was entitled, *inter alia*, to a "Six Month sum ([...] "Basic Compensation") of EUR 900,000", as follows:
  - EUR 450,000 due on 15 October 2018;
  - EUR 450,000 due on 31 December 2018.
3. According to art. IV par. 3 (i) of the employment contract, the Claimant was entitled to the following "incentive bonus": EUR 500,000 "if the National Football A Team wins the AFC Asian Cup 2019", EUR 300,000 "if the National Football A Team gets the 2<sup>nd</sup> place", EUR 200,000 "if the National Football A Team gets the 3<sup>rd</sup> place", to be paid within "7 days after termination date of the agreement".
4. By letter dated 15 February 2019, the Claimant asked the Respondent to proceed to fulfil its financial obligation and inquired when the incentive bonus would be paid.
5. By letter dated 18 February 2019, the Respondent replied stating that the Federation did "not have any obligation to pay the bonus of 3<sup>rd</sup> place position while no match have been played as 3<sup>rd</sup> / 4<sup>th</sup> place position to specify 3<sup>rd</sup> ranked Team and our National Team also have not been considered 3<sup>rd</sup> Place Team of AFC Asian Cup UAE 2019".
6. On 18 March 2019, the Claimant addressed a further correspondence to the Respondent, asking to be paid EUR 1,100,000 within 10 days.
7. On 25 March 2019, the Respondent replied that it was trying to pay his salary but was not yet able to do so "because of obstacle that [it] faced".
8. A further exchange of correspondence of the same tenor followed suit.
9. On 15 April 2019 Claimant lodged a claim against the Respondent, asking to be awarded the total amount of EUR 1,100,000, consisting of:
  - (i) EUR 900,000 as "basic compensation";
  - (ii) EUR 200,000 as "incentive bonus";

10. With his claim, the Claimant further requested 5% interest p.a. over the amounts *“since the moment they became outstanding”* and that the Respondent be condemned to bear the costs of the proceedings.
11. The Claimant explained that, notwithstanding several correspondences exchanged with the Respondent, he was not paid his entire remuneration.
12. The Claimant further maintained that the Respondent did not pay him EUR 200,000 as incentive bonus, even though the national team finished third at the AFC Asian Cup 2019 (cf. above point 3).
13. In this respect, the Claimant recalled that the national team had finished third place *ex aequo* with the United Arab Emirates national team.
14. The Respondent, for its part, maintained that it had paid the Claimant EUR 900,000 through various transactions due to the limitations caused by international sanctions. In light of the sanctions, the Respondent further argued that the delay on the payments was not due to its fault and, consequently, no interest should be claimed on that.
15. Moreover, concerning the bonus, the Respondent explained that, as no 3<sup>rd</sup> / 4<sup>th</sup> place match was played during the 2019 AFC Asian Cup, there was *“no recognition on 3<sup>rd</sup> / 4<sup>th</sup> placing teams”*. Consequently, the Claimant was not entitled to the related bonus.
16. In his *replica*, the Claimant pointed out that, after his claim, he received the total amount of EUR 899,644.75 through 10 payments.
17. The Claimant, however, argued that those payments should first of all set off the *“outstanding interests over the amounts due under the employment agreement at 5% p.a.”* and then the remaining outstanding principal amounts.
18. In light of the above, the Claimant concluded that EUR 227,522.46 were still outstanding, representing *“basic compensation in the amount of EUR 27,522.46 and incentive bonus in the amount of EUR 200,000”*, plus 5% interest p.a. until the date of effective payment.
19. Moreover, with regard to the bonus, the Claimant maintained that, according to a document from the AFC he had access to with a *“Competition Summary”* of the AFC Asian Cup 2019, the Iranian national team finished at the third place in that competition.
20. In its *duplica*, the Respondent reiterated that the IRIFF and Iranian clubs have experienced particular difficulties in performing payments due to the well-known

international sanctions. In light of the above, the Respondent argued that it “*should not be ordered to pay any fines or interest for slight delays in payments to the creditor*”.

21. Concerning the bonus, the Respondent reiterated its previous argument (cf. point 15 above) and added that the AFC had confirmed that no rank had been honoured to the two semi-finalists.

## **II. Considerations of the Single Judge of the Players’ Status Committee**

1. First of all, the Single Judge of the Players’ Status Committee (hereinafter also referred to as: *the Single Judge*) analysed whether he was competent to deal with the matter at hand. In this respect, he took note that the present matter was submitted to FIFA on 15 April 2019. Taking into account the wording of art. 21 of the 2019 edition of the Rules Governing the Procedures of the Players’ Status Committee and the Dispute Resolution Chamber (hereinafter: *the Procedural Rules*), the aforementioned edition of the Procedural Rules is applicable to the matter at hand.
2. Subsequently, the Single Judge referred to art. 3 par. 1 and 2 of the Procedural Rules and confirmed that in accordance with art. 23 par. 1 and 4 in combination with art. 22 lit. c) of the January 2020 edition of the Regulations on the Status and Transfer of Players, he shall adjudicate on an employment-related dispute between a club or an association and a coach that has an international dimension.
3. As a consequence, the Single Judge is the competent body to decide on the present litigation involving the IRIFF and a Portuguese coach regarding an alleged breach of an employment contract.
4. In continuation, the Single Judge 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, he referred, on the one hand, to art. 26 par. 1 and 2 of the January 2020 edition of the Regulations on the Status and Transfer of Players, and on the other hand, to the fact that the present claim was lodged with FIFA on 15 April 2019. In view of the foregoing, the Single Judge concluded that the June 2018 edition of the Regulations on the Status and Transfer of Players (hereinafter: *the Regulations*) is applicable to the case at hand as to the substance (cf. art. 26 par. 1 and 2 of the Regulations).
5. His competence and the applicable regulations having been established, and entering into the substance of the matter, the Single Judge started his analysis by acknowledging the facts of the case and the arguments of the parties as well as the documents contained in the file. The Single Judge, however, emphasised that in the following considerations he will refer only to the facts, arguments and documentary evidence which he considered pertinent for the assessment of the matter at hand.

6. In this respect and first of all, the Single Judge acknowledged that, on 28 August 2018 the Claimant and the Respondent had concluded an employment contract valid as from 1 August 2018 until 1 February 2019, by means of which the Claimant was, *inter alia*, entitled to receive the amounts mentioned in points I. 2. and 3.
7. Subsequently, the Single Judge took note that in his initial claim to FIFA, the coach had accused the club of not having paid the entire remuneration due in accordance with the contract as well as the bonus for achieving the 3<sup>rd</sup> place in the AFC Asian Cup 2019. In addition, the Single Judge took into account that the coach later amended his claim as he acknowledged to have received a payment in the amount of EUR 899,644.75.
8. In continuation, the Single Judge observed that, for its part, the Respondent deemed that no interest on the delayed payment(s) shall be applied due to the limitations caused by international sanctions. At the same time, the Single Judge also observed that the Respondent rejected that the Claimant would be entitled to the bonus as there was no team which ended up in 3<sup>rd</sup> place during the 2019 AFC Asian Cup.
9. In light of all the above, the Single Judge observed that it was undisputed by the parties that the Claimant received a delayed payment in the amount of EUR 899,644.75. Thus, the Single Judge deemed that the first question to be addressed is whether there remain any outstanding amounts owed to one of the parties and if so, what the consequences are.
10. In this respect, the Single Judge recalled that the contract stipulated that the Claimant was entitled to a "*Basic Compensation*" in the amount of EUR 900,000, of which half of the amount had to be paid on 15 October 2018 and the other half on 31 December 2018. Furthermore, the Single Judge observed that the contract did not include any clause related to the payment of interests in case of late payments. Having established the above, the Single Judge concluded that he could not take the arguments of the coach in regards to the interest into account. Consequently, the Single Judge established that an amount of EUR 355.25 remained unpaid as from 1 January 2019. In regards to the Respondent's argument that no interest shall apply to the amounts due to the international sanctions, the Single Judge pointed out, that he could not take such an excuse into consideration, in particular, as the Respondent was in fact able to make the payments. Moreover, the Single Judge emphasised that difficult circumstances to make payments would not exempt a party to pay interest on the delayed payment.
11. The Single Judge then proceeded to analyse whether the Claimant would be entitled to the claimed bonus. In this respect, the Single Judge analysed the relevant clause as well as the evidence provided by the Claimant. The Single Judge noted that it remained uncontested that the team reached the semi-finals of the AFC Asian Cup 2019. Moreover, the Single Judge observed that the relevant clause only speaks of "*3<sup>rd</sup> place*"

without stipulating anything else. Having established the aforementioned the Single Judge pointed out that it is irrelevant whether the team officially finished the tournament as the only third best placed team or whether it shared the third place together with the national team of the United Arab Emirates as the contract did not make any differentiation in this regard.

12. In this respect, the Single Judge deemed that from the evidence on file it is clear that the national team of Iran reached the semi-finals of the AFC Asian Cup 2019 and that by doing so, the team finished the tournament as the third best team. Therefore, the Single Judge concluded that the Claimant shall be entitled to the bonus payment in the amount of EUR 200,000.
13. In view of all the above, the Single Judge decided that, in accordance with the general legal principle of *pacta sunt servanda*, the club must fulfil its contractual obligations towards the coach and is to be held liable to pay the coach the amount of EUR 200,355.25.
14. Furthermore, considering the Claimant's claim for interest and also taking into account the Players' Status Committee's longstanding jurisprudence, the Single Judge ruled that the Respondent must pay interest as follows:
  - a) 5% interest p.a. on the amount of EUR 355.25 from 1 January 2019 until the date of effective payment;
  - b) 5% interest p.a. on the amount of EUR 200,000 from 9 February 2019 until the date of effective payment.
15. Taking into account all the above considerations, the Single Judge decided to partially accept the coach's claim.
16. Lastly, the Single Judge referred to art. 25 par. 2 of the Regulations in combination with art. 18 par. 1 of the Procedural Rules, according to which, in proceedings before the Players' Status Committee including its Single Judge, costs in the maximum amount of CHF 25'000 are levied. The relevant provision further states that the costs are to be borne in consideration of the parties' degree of success in the proceedings (cf. art. 18 par. 1 of the Procedural Rules).
17. In this respect, the Single Judge reiterated that the claim of the Claimant is partially accepted and that the Respondent is the party at fault. Therefore, the Single Judge decided that the Respondent has to bear the entire costs of the current proceedings in front of FIFA.
18. Furthermore and according to Annexe A of the Procedural Rules, the costs of the proceedings are to be levied on the basis of the amount in dispute. On that basis, the

Single Judge held that the amount to be taken into consideration in the present proceedings is EUR 227,522.46. Consequently, the Single Judge concluded that the maximum amount of costs of the proceedings corresponds to CHF 25,000.

19. In conclusion, and considering that the case at hand did pose some particular factual difficulties, the Single Judge determined the costs of the current proceedings to the amount of CHF 25,000. Moreover, in line with his aforementioned considerations, the Single Judge decided that the amount of CHF 25,000 has to be paid by the Respondent

### III. Decision of the Single Judge of the Players' Status Committee

1. The claim of the Claimant, Carlos Manuel Brito Leal Queiroz is partially accepted.
2. The Respondent, IR Iran Football Federation, has to pay to the Claimant, **within 30 days** as from the date of notification of the present decision, outstanding remuneration in the amount of EUR 200,355.25 plus interest as follows:
  - c) 5% interest p.a. on the amount of EUR 355.25 from 1 January 2019 until the date of effective payment;
  - d) 5% interest p.a. on the amount of EUR 200,000 from 9 February 2019.
3. Any further claim lodged by the Claimant is rejected.
4. If the aforementioned sum, plus interest as established above, is not paid within the aforementioned deadline, the present matter shall be submitted, upon request, to FIFA's Disciplinary Committee for consideration and a formal decision.
5. The final costs of the proceedings in the amount of CHF 25,000 are to be paid by the Respondent as follows:
  - 5.1. The amount of CHF 5,000 has to be paid to the Claimant;
  - 5.2. The amount of CHF 20,000 has to be paid to FIFA to the following bank account with reference to case nr. Iza/19-00890:

UBS Zurich  
Account number 366.677.01U (FIFA Players' Status)  
Clearing number 230  
IBAN: CH27 0023 0230 3666 7701U  
SWIFT: UBSWCHZH80A

6. The Claimant is directed to inform the Respondent immediately and directly, of the account number to which the remittances under points 2. and 5.1. above are to be made and to notify the Single Judge of the Players' Status Committee of every payment received.

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**Note related to the publication:**

The FIFA administration may publish decisions issued by the Players' Status Committee or the DRC. Where such decisions contain confidential information, FIFA may decide, at the request of a party within five days of the notification of the motivated decision, to publish an anonymised or a redacted version (cf. article 20 of the Rules Governing the Procedures of the Players' Status Committee and the Dispute Resolution Chamber).

**Note related to the appeal procedure:**

According to article 58 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. Within another 10 days following the expiry of the time limit for filing the statement of appeal, the appellant shall file a brief stating the facts and legal arguments giving rise to the appeal with the CAS (cf. point 4 of the directives).

The full address and contact numbers of the CAS are the following:

Court of Arbitration for Sport  
Avenue de Beaumont 2  
1012 Lausanne  
Switzerland  
Tel: +41 21 613 50 00  
Fax: +41 21 613 50 01  
e-mail: [info@tas-cas.org](mailto:info@tas-cas.org)  
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For the Single Judge of the  
Players' Status Committee

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