



**TAS / CAS**  
TRIBUNAL ARBITRAL DU SPORT  
COURT OF ARBITRATION FOR SPORT  
TRIBUNAL ARBITRAL DEL DEPORTE

**CAS 2022/A/8682 Pyramids FC v. Athletico Paranaense & FIFA**

**ARBITRAL AWARD**

**delivered by the**

**COURT OF ARBITRATION FOR SPORT**

**sitting in the following composition:**

Sole Arbitrator: Mr Sofoklis P. **Pilavios**, Attorney-at-law in Athens, Greece

**in the arbitration between**

**Pyramids Football Club, Egypt**

Represented by Mr Rolf Müller, Attorney-at-law, Müller & Papis Attorneys-at-law Zurich, Switzerland.

**Appellant**

**and**

**1/ Club Athletico Paranaense, Brazil**

Represented by Mr Marcos Motta, Mr Victor Eleuterio and Mr Pedro Sousa, Attorneys-at-law, Bichara e Motta Advogados, Rio de Janeiro, Brazil

**2/ Fédération Internationale de Football Association (FIFA), Switzerland**

Represented by Mr Roberto Najera Reyes, Senior Legal Counsel

**Respondents**

## **I. PARTIES**

1. Pyramids Football Club (the “Appellant” or “Pyramids FC”) is a professional football club seated in Cairo, Egypt, and affiliated to the Egyptian Football Association (the “EFA”), which, in turn, is a member of the Fédération Internationale de Football Association.
2. Club Athletico Paranaense (the “First Respondent” or “Paranaense”) is a professional football club seated in Brazil and affiliated to the Brazilian Football Confederation (the “CBF”), which, in turn, is a member of the Fédération Internationale de Football Association.
3. The Fédération Internationale de Football Association is the international federation governing the sport of football worldwide, based in Zurich, Switzerland (the “Second Respondent” or “FIFA”).

## **II. FACTUAL BACKGROUND**

### **A. Background Facts**

4. Below is a summary of the main relevant facts and allegations based on the Parties’ written submissions and evidence adduced. Additional facts and allegations found in the Parties’ written submissions and evidence may be set out, where relevant, in connection with the legal discussion that follows. While the Sole Arbitrator has considered all the facts, allegations, legal arguments and evidence submitted by the Parties in the present proceedings, he refers in this Award only to the submissions and evidence he considers necessary to explain his reasoning.
5. On 28 June 2018, Athletico Paranaense and the Egyptian football club Al-Assiouty Sport Club (“Al-Assiouty”), entered into an agreement in writing for the transfer of the Brazilian football player Lucas Ribamar Lopes dos Santos Bibiano (the “Player”) from Paranaense to Al-Assiouty for a transfer fee of USD 2,500,000 (the “Transfer Agreement”).
6. Article 3 of the Transfer Agreement provides as follows:  
  
*“Item 3: Obligations of the Second Party:*
  - a. *Transfer fee: USD 2,500,000 (Two million five hundred thousand US Dollars) to be paid in 15.07.2018. If the second party does not pay the value in the due date, the first party shall be entitled to receive a penalty for delay of 10% on the unpaid amount.*
  - b. *This amount [is] inclusive of solidarity contribution and the training compensation in accordance with FIFA RSTP.”*
7. On 30 July 2018, the Player registered with Al-Assiouty.
8. On 12 September 2018, the Brazilian football club Botafogo de Futebol e Regatas (“Botafogo”) lodged a claim in front of the Dispute Resolution Chamber of FIFA (“FIFA DRC”) against Pyramids FC requesting its

proportion of solidarity contribution at a percentage of 43,55% as a club involved in the Player's training and education. In said claim, Pyramids FC was identified as the club that had acquired the Player's rights from Paranaense.

9. On 7 October 2019, FIFA issued a proposal in relation to the aforementioned claim advising that the proportion of solidarity contribution due to Botafogo was determined at a percentage of 43,60 %, namely to the amount of USD 54,500, plus 5% interest p.a. as of 30 days of the due date of the first instalment.
10. On 28 October 2019, and since no answer was given to its proposal of 7 October 2019, FIFA issued a letter stating that said proposal has become final and binding and, consequently, ordered Al-Assiouty to pay Botafogo the amount of USD 54,500 plus 5% interest p.a. as its share of solidarity contribution in connection to the transfer of the Player.
11. On 30 March 2020, Pyramids FC, which appeared to be the former Al-Assiouty, paid Botafogo the total amount of USD 57,801 for solidarity contribution plus interest, as per FIFA's order of 28 October 2019.
12. On 28 September 2020, and again, on 2 October 2020, Pyramids FC sent a letter to Paranaense requesting the payment of USD 57,801 as a refund of the same amount of solidarity contribution paid to Botafogo on 30 March 2020.
13. On 21 September 2021, Pyramids FC sent a letter to Paranaense stating that it revoked the Transfer Agreement in relation to the solidarity contribution that was included in the transfer fee and, as a result, requested reimbursement of the total amount of USD 125,000 which represented 5% of the respective transfer fee.

**B. Proceedings before FIFA Players' Status Chamber**

14. On 2 November 2021, Pyramids FC lodged a claim in front of the Players' Status Chamber of FIFA ("FIFA PSC") against Paranaense and requested payment of the amount of USD 125,000 which corresponded to 5% of the transfer fee paid under the Transfer Agreement for solidarity contribution. This amount was requested with default interest of 5% on the amount of USD 57,801 from 31<sup>st</sup> March 2020, or, alternatively, from 3<sup>rd</sup> October 2020, and on the amount of USD 67,199 from 21<sup>st</sup> September 2021.
15. On 6 December 2021, FIFA PSC rendered its decision on the aforementioned claim (the "Appealed Decision") with, *inter alia*, the following operative part:  

*"1. The claim of the Claimant, Pyramids FC, is inadmissible."*
16. On 2 February 2022, the grounds of the Appealed Decision were communicated to the Parties.
17. In passing its judgment FIFA PSC determined, essentially, the following:

- The claim was lodged on 2 November 2021. Therefore, in line with art. 23 para. 3 of FIFA Regulations on the Status and Transfer of Players (the “FIFA RSTP”) (edition August 2021) any amounts due before 2 November 2019 are affected by the statute of limitation as the decision-making bodies of FIFA shall not hear any dispute if more than two years have elapsed since the facts leading to the dispute arose.
- Therefore, the matter that needs to be determined is whether the claim falls under the statute of limitation based on art. 21 and Annex 5 of the FIFA RSTP, according to which the obligation to pay solidarity contribution arises 30 days following the player’s registration with his new club.
- Based on the evidence available in the FIFA Transfer Matching System (“FIFA TMS”) the Player registered with Pyramids FC on 30 July 2018. This means that Pyramids FC should have paid Botafogo (or any other training clubs) its proportion of solidarity contribution by 29 August 2018, being in default as of the following day, 30 August 2018.
- Pyramids FC has not provided evidence in support of the interruption or suspension of the time limit of two years since 30 August 2018.
- Therefore, pursuant to art. 23 para. 3 of the FIFA RSTP the claim should have been lodged within the two - years limitation period, namely by 30 August 2020. Consequently, the claim is time-barred as it was lodged on 2 November 2021.

### **III. PROCEEDINGS BEFORE THE COURT OF ARBITRATION FOR SPORT**

18. On 23 February 2022, the Appellant filed with the Court of Arbitration for Sport (“CAS”) a Statement of Appeal pursuant to Article R48 of the Code of Sports-related Arbitration (the “CAS Code”) against Paranaense, as First Respondent, and against FIFA, as Second Respondent, with respect to the Appealed Decision. With its Statement of Appeal, the Appellant requested that the matter be submitted to a Sole Arbitrator.
19. On 28 February 2022, the Second Respondent informed the CAS Court Office that it agreed to refer the matter to a Sole Arbitrator, provided that she/he shall be selected from the CAS football list.
20. On 7 March 2022, the Appellant filed its Appeal Brief pursuant to Article R51 of the CAS Code.
21. On the same day, the First Respondent informed the CAS Court Office that it agreed to refer the matter to a Sole Arbitrator.
22. On 30 March 2022, the Appellant filed an unsolicited submission with two additional documents as annexes.
23. On 31 March 2022, the CAS Court Office invited the Respondents to comment in their Answers on the admissibility and the content of the Appellant’s unsolicited submission of 30 March 2022.

24. On 27 and, respectively, 28 April 2022, the Second and the First Respondents filed their Answer pursuant to Article R55 of the CAS Code within the extended deadline.
25. On 29 April 2022, the CAS Court Office invited the Parties to state whether they prefer a hearing to be held in the matter, or, for the Sole Arbitrator to issue an award based solely on the Parties' written submissions. By same correspondence, pursuant to Article R54 of the CAS Code, and on behalf of the President of the CAS Appeals Arbitration Division, the CAS Court Office informed the Parties that the Panel appointed to decide the present matter was constituted as follows:  
  
Sole Arbitrator: Mr Sofoklis P. Pilavios, Attorney-at-law in Athens, Greece
26. On 4 May 2022, the Second Respondent informed the CAS Court Office that it did not deem a hearing necessary.
27. On 9 May 2022, the Appellant filed new unsolicited submissions with additional documents as annexes.
28. On 10 May 2022, the CAS Court Office invited the Respondents to comment on the admissibility and the merits of the Appellant's unsolicited submissions.
29. On 10 May 2022, the Second Respondent filed its comments to the Appellant's submissions of 9 May 2022.
30. On 13 May 2022, the Appellant informed the CAS Court Office that it did not consider necessary to hold a hearing.
31. On 17 June 2022, the First Respondent filed its comments to the Appellant's submissions of 9 May 2022.
32. On 28 June 2022, 4 July 2022, and, 5 July 2022, the Second Respondent, the First Respondent and the Appellant, respectively, returned to the CAS Court Office a duly signed copy of the Order of Procedure. By signing the Order of Procedure, the Parties expressly confirmed their agreement for Sole Arbitrator to decide the matter based solely on the Parties' written submissions without holding a hearing, and further, confirmed that their right to be heard had been respected.
33. On 11 July 2022, the CAS Court Office, upon directions of the Sole Arbitrator, invited the Appellant to produce: a) its articles of association, and, b) documentary evidence showing its legal relationship with Al-Assiouty. The document production was decided by the Sole Arbitrator after considering the First Respondent's request for the production of evidence in accordance with article R44.3 of the CAS Code which was contained in its Answer, and the documentary evidence filed by the Appellant.
34. On 29 July 2022, the Appellant provided certain documents in reply to the order for document production issued by the Sole Arbitrator.

35. On 11 August 2022, the CAS Court Office invited the First and the Second Respondent to file their comments to the Appellant's document production.
36. On 19 August 2022, the Second Respondent stated its position in relation to the Appellant's document production.
37. On 19 August 2022, the Appellant sent an unsolicited letter with respect to the Respondents' right to comment on the document production.
38. On 29 August 2022, the First Respondent filed its comments to the Appellant's document production and requested the Arbitrator to order the Appellant to provide further evidence.
39. On 30 August 2022, the CAS Court Office informed the Parties that the Sole Arbitrator has taken into consideration all comments in relation to the document production. The Sole Arbitrator confirms that he finds himself sufficiently informed on the matter, and therefore, no additional production of documents was deemed necessary.

#### **IV. SUBMISSIONS OF THE PARTIES AND REQUESTS FOR RELIEF**

40. The submissions of the Appellant, in essence, may be summarized as follows:
  - The Appellant used to operate under the name Al-Assiouty Sport Club and was later renamed to Pyramids FC, following an amendment to its Articles of Association. Consequently, they are the same entity. Besides, FIFA never questioned that Pyramids FC is the former Al-Assiouty Sport Club.
  - The transfer fee was agreed inclusive of solidarity contribution. This means that Paranaense received the entire transfer fee of USD 2,500,000, which included the amount of USD 125,000 (equal to 5% of the transfer fee) to cover payments of solidarity contribution to the Player's former clubs, as instructed by Pyramids FC.
  - Pyramids FC ultimately paid to Botafogo the amount of USD 57,801 for its share of solidarity contribution on 30 March 2020. Following this payment Pyramids FC legitimately requested Paranaense to refund the same amount on the basis of the contractual clause of the Transfer Agreement whereby it was agreed that solidarity contribution was included in the transfer fee.
  - However, by its failure to refund the amount of USD 57,801 to Pyramids FC, Paranaense essentially breached its financial obligations under the Transfer Agreement, in a way that resulted to its unjust enrichment.
  - This dispute does not concern a claim for distribution of solidarity between the Player's new club and his former training clubs. Consequently, the conclusion of the Appealed Decision that the event that gives rise to this dispute occurred on 30 August 2018, namely thirty days following the Player's registration with Pyramids FC, is false.

- The present dispute concerns solely the contractual relationship between the parties to the Transfer Agreement namely, Pyramids FC and Paranaense, and their respective rights and obligations thereby.
- In light of the above, the event that gives rise to this dispute, and thus serves as the starting point of the two-years limitation period, occurred on 30 March 2020, *i.e.* the date when Pyramids FC paid Botafogo the amount of USD 57,801, thus suffering damages as a result of the breach of the Transfer Agreement.
- On these grounds, the claim is not time-barred.

41. The Appeal Brief contained the following requests for relief:

*“Requests:*

- 1. In acceptance of the present Appeal, the decision from the FIFA Player’s Status Chamber, passed on 6<sup>th</sup> of December 2021 (FPSD-4183), shall be fully annulled and the Respondent 1 be obliged and judged to pay to the Claimant USD 57,801.00 with a default interest of 5% from the 31<sup>st</sup> March 2020, eventualiter 3<sup>rd</sup> of October 2020.*
- 2. Eventualiter to Request No.1 in acceptance of the present Appeal, the decision from the FIFA Player’s Status Chamber, passed on the 6<sup>th</sup> of December 2021 (FPSD-4183), shall be fully annulled and the case referred back to the previous instance (FIFA) for new evaluation and decision.*
- 3. In acceptance of the present Appeal, the Respondent 2 shall be obligated and judged to pay to the Appellant back the Procedural and Advance of Costs in the amount of total USD 18,000.00 with a default interest of 5% from the 16<sup>th</sup> of December 2021.*
- 4. The costs and compensation of the present procedure shall be imposed to the Respondents.”*

42. The submissions of the First Respondent, in essence, may be summarized as follows:

- The Appellant failed to prove that Al-Assiouty and Pyramids FC are the same entity, or that the latter is the successor of the former. In the absence of such conclusive evidence, and considering that the Transfer Agreement was concluded with Al-Assiouty, the Appellant’s standing to sue remains uncertain.
- On the merits, the present appeal is based on two completely false assumptions: i) that Paranaense supposedly undertook the responsibility to make payments for solidarity contribution on behalf of the Appellant, and, ii) that the crucial event that gives rise to the dispute is the date of payment of solidarity contribution to Botafogo.

- According to CAS case law, the contracting parties to a transfer agreement are free to arrange the burden of payment of solidarity contribution in any way they deem appropriate, insofar as that this does not affect the rights of third parties (*i.e.* the player's training clubs), as established in the mandatory provisions of the FIFA RSTP.
- In the case at hand, the transfer fee was agreed inclusive of solidarity contribution. However, this does not mean that Paranaense undertook the responsibility to make such payments to the Player's former clubs, or to reimburse such amounts back to the Player's new club.
- On the contrary, under the terms of the Transfer Agreement, solidarity contributions were payable in accordance with the applicable provisions of the FIFA RSTP, namely by the new club.
- Consequently, the allegation that Paranaense agreed to distribute solidarity contribution to the Player's training clubs on behalf of the Appellant is unsubstantiated in law and in fact. The legal obligation and the responsibility to do so rested solely with the Appellant, which had the duty to trace the Player's training clubs (including, but not limited to Botafogo) and to pay each its corresponding share.
- Notwithstanding the foregoing, the Appellant's claim is time-barred. The dispute concerns a claim in relation to the exact amount of the transfer fee. Consequently, the starting point of the two-year limitation period is 25 July 2018, *i.e.* the date of payment of the transfer fee. On this basis, the time-limit to bring this claim expired on 24 July 2020.
- Alternatively, the event triggering the dispute should be deemed the due date for payment of the solidarity contributions to third parties, namely thirty days following the Player's registration with the Appellant. On this basis, the limitation period for the Appellant to bring its claim expired on 30 August 2020, namely two years as of 30 August 2018.
- In any event, Paranaense is entitled to set off any amount due to the Appellant with its counter claim for payment of a contractual penalty in the amount of USD 250,000 for the 10-days delay in payment of the transfer fee.

43. The Answer of the First Respondent contained the following requests for relief:

*"In light of the above, CAP (i.e. Club Athletico Paranaense) respectfully requests the Sole Arbitrator to:*

- a) Grant the request for the production of evidence sought in this Answer and a time limit the Parties to file submissions accordingly, including about Pyramids FC's standing to sue/appeal;*
- b) Hold the Appellant's submission of 30 March 2022 and respective evidence inadmissible;*



- c) *Dismiss the present appeal and confirm the Appealed Decision in totum;*
- d) *Order Pyramids FC to bear any and all CAS administrative and procedural costs, which have been incurred or may eventually be incurred in connection with this arbitration;*
- e) *Grant CAP a contribution towards legal fees and other expenses incurred in connection with these proceedings, pursuant to article R64.5 of the CAS Code in an amount to be fixed by the Sole Arbitrator at its own discretion but in no event lower than CHF 15,000.00 (fifteen thousand Swiss Francs); and*
- f) *Subsidiarily, in the event the Sole Arbitrator rules in favour of the Appellant, ordering for the reimbursement of the amounts paid to Botafogo, proportionally reduce any FIFA procedural costs to be reimbursed and allocate them exclusively on the Second Respondent.”*

44. The submissions of the Second Respondent, in essence, may be summarized as follows:

- The evidence pertaining to the Appellant’s standing to sue is immaterial given that its claim is time-barred, hence, inadmissible.
- The Player registered with Pyramids FC on 30 July 2018. Consequently, Pyramids FC had the regulatory obligation to pay solidarity contributions to all previous training clubs within thirty days from the Player’s registration, namely by 29 August 2020. This obligation derives from article 21 of the FIFA RSTP and article 2 of Annex 5 to the FIFA RSTP without exceptions.
- The obligation to pay solidarity contribution lies always with the new club, in this case, Pyramids FC, irrespective of any bilateral agreements made in the transfer agreement with the former club, in this case with Paranaense.
- Consequently, even if Paranaense had undertaken the contractual obligation to make solidarity payments to the Player’s training clubs on behalf of Pyramids FC, it would have been required to do so within the same deadline according to the applicable provisions of the FIFA RSTP, namely by 29 August 2018.
- So even if, as per the contentions of the Appellant, Paranaense breached the Transfer Agreement by failing to distribute solidarity contributions to the Player’s former clubs, including the amount of USD 57,801 to Botafogo, the respective breach occurred on 29 August 2018.
- The Appellant’s allegation that Paranaense breached the Transfer Agreement on 30 March 2020 is completely unfounded.
- In summary, the event that gave rise to this dispute occurred on 29 August 2018. Yet, the Appellant filed its claim more than three years later, on 21 November 2021. Due to the limitation period established in article 23 of

the FIFA RSTP, FIFA was prevented from hearing the claim, as more than two years have elapsed.

- On these grounds, the Appellant's claim before FIFA is time-barred.

45. The Answer of the Second Respondent contained the following requests for relief:

*“Based on the above, FIFA respectfully requests CAS to issue an award:*

- a) rejecting the relief sought by Appellant and dismissing the appeal in full;*
- b) confirming the Appealed Decision;*
- c) ordering the Appellant to bear the full costs of these arbitration proceedings.”*

## **V. JURISDICTION**

46. Article R47 para.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.”*

47. Article 57 para. 1 of the FIFA Statutes 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 notification of the decision in question”*

48. The jurisdiction of the CAS in the present appeal derives from Article 57 para.1 of the FIFA Statutes and Article R47 of the Code. The jurisdiction of CAS is further confirmed by the Order of Procedure duly signed by the Parties. It therefore follows that CAS has jurisdiction to decide on the appeal.

## **VI. ADMISSIBILITY**

49. Article R49 of the CAS Code provides as follows:

*“In the absence of a time limit set in the statutes or regulations of the federation, association or sports-related body concerned, or of a previous agreement, the time limit for appeal shall be twenty-one days from the receipt of the decision appealed against.”*

50. The Sole Arbitrator notes that the grounds of the Appealed Decision were notified to the Parties on 2 February 2022. Considering that the Appellant filed its Statement of Appeal on 23 February 2022, namely within the deadline of

21 days provided by Article 57 para. 1 of the FIFA Statutes, the Sole Arbitrator is satisfied that the present appeal was filed in a timely fashion, and is therefore admissible.

## VII. APPLICABLE LAW

51. 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, the application of which the Panel deems appropriate. In the latter case, the Panel shall give reasons for its decision.”*

52. Article 56 para. 2 of the FIFA Statutes provides as follows:

*“The provisions of the CAS Code of the Sports-related arbitration shall apply in the proceedings. CAS shall primarily apply the various regulations of FIFA and, additionally, Swiss law.*

53. In addition, Article 6 para. 2 of the Transfer Agreement provides as follows:

*“Governing Law: This Agreement shall be governed by and construed in accordance with FIFA Regulations, as well as the complementary rules enacted by FIFA from time to time.”*

54. In light of the above-mentioned provisions and also, in view of the express choice made by the Parties in relation to the law governing the Transfer Agreement, the Sole Arbitrator is satisfied that the FIFA Regulations on the Status and Transfer of Players are applicable in the present dispute, and Swiss law shall be applied subsidiarily. Since the Appellant’s claim was lodged with FIFA on 2 November 2021, the Sole Arbitrator finds that the August 2021 edition of the FIFA RSPT is applicable to procedural matters, whereas, substantive issues are governed by the June 2018 edition of the FIFA RSPT, which was in force when the facts in relation to the Transfer Agreement arose.

## VIII. MERITS

55. As a preliminary matter, the Sole Arbitrator notes that Paranaense challenges the Appellant’s standing to sue, as, according to its contentions, the Transfer Agreement for the Player Lucas Ribamar Lopes dos Santos Bibiano of 28 June 2018 was concluded with Al-Assiouty, and the Appellant failed to prove a legal connection, or, a situation of succession with said entity. In essence, Paranaense disputes whether Pyramids FC can derive any rights from the Transfer Agreement as the Player’s new club. In this respect, the Sole Arbitrator considers that this matter is related primarily to the substance of the claim, and not to the Appellant’s standing in the present appeal proceedings. Consequently, in strict terms, the Appellant’s right to appeal to CAS as a party

affected by the Appealed Decision is not denied.

56. Based on the evidence available in the case file, the Sole Arbitrator remarks that, on 14 July 2018, Al-Assiouty changed its name to Pyramids FC by an amendment to its Articles of Association, which was published in the Egyptian Official Gazette on 9 August 2018. Subsequently, Pyramids FC acted in all matters related to the Player's transfer. This is also evidenced by the following facts: a) Pyramids FC paid the transfer fee to Paranaense on 25 July 2018, b) Pyramids FC was designated as Respondent in the claim of Botafogo for payment of solidarity contribution on 12 September 2018, and, finally, c) Pyramids FC paid Botafogo its proportion of solidarity contribution on 30 March 2020. The fact that the Player appeared to be registered with Al-Assiouty in FIFA TMS until October 2019 is not conclusive in this respect, in so far as the FIFA TMS may not always contain updated information about the legal situation of a club.
57. In light of the above, and, considering that Pyramids FC has assumed all financial obligations under the Transfer Agreement since July 2018, the Sole Arbitrator is satisfied that Pyramids FC operates as former Al-Assiouty. As a result, Pyramids FC is entitled to exercise all rights in relation to the Transfer Agreement in the capacity of the Player's new club, including the right to pursue any financial claims arising thereby.
58. The present dispute concerns a claim for reimbursement of a proportion of solidarity contribution from Paranaense as the transferring club, to Pyramids FC as the new club, on the basis of a specific clause of the Transfer Agreement, whereby the transfer fee was agreed inclusive of solidarity contribution. In particular, Article 3 of the Transfer Agreement reads as follows: "*a. Transfer fee: USD 2,500,000 (Two million five hundred thousand US Dollars) to be paid in 15.07.2018. If the second party does not pay the value in the due date, the first party shall be entitled to receive a penalty for delay of 10% on the unpaid amount. b. This amount [is] inclusive of solidarity contribution and the training compensation in accordance with FIFA RSTP.*"
59. According to this contractual clause, it appears that Paranaense received the full amount of the transfer compensation of USD 2,500,000 without the deduction of 5%, equal to USD 125,000, which corresponds to solidarity contributions. This is not disputed by Paranaense.
60. The Sole Arbitrator notes that, with its claim in front of FIFA PSC lodged on 2 November 2021, Pyramids FC originally sought reimbursement of USD 125,000, namely the entire solidarity contribution paid with the transfer fee. Yet, with the present appeal, Pyramids FC narrowed its claim to USD 57,801 which represents the proportion of solidarity contribution that Pyramids FC ultimately paid out to Botafogo on 30 March 2020.
61. The Sole Arbitrator recalls that, according to the respective provisions of the FIFA RSTP on the solidarity contribution mechanism, in the event of a transfer of a player, the new club has the obligation to calculate, retain and distribute the proportions of solidarity contribution to his training clubs. More specifically article 1 of Annexe 5 of the applicable version of the FIFA RSTP

provides as follows: *“If a professional moves during the course of a contract, 5% of any compensation, not including training compensation paid to his former club, shall be deducted from the total amount of this compensation and distributed by the new club as a solidarity contribution to the club(s) involved in his training and education over the years...”*. In addition, article 2 para. 1 of Annexe 5 provides as follows: *“The new club shall pay the solidarity contribution to the training club(s) pursuant to the above provisions no later than 30 days after the player’s registration, or, in case of contingent payments, 30 days after the date of such payments.”*

62. Under the aforementioned provisions of the FIFA RSTP, the new club is under all circumstances liable to make the mandatory solidarity contribution payments to the clubs involved in the training of the player, within 30 days after the player’s registration, without any deviation, and, irrespectively of any agreements contained the Transfer Agreement. It is therefore clear and undisputed that Pyramids FC primarily bore the legal obligation to the Player’s training clubs, in this case to Botafogo, to pay its proportion of solidarity contribution in the amount of USD 57,801 as it ultimately did. Yet, the key question in this dispute is whether Pyramids FC has the right to seek reimbursement of the same amount against Paranaense, and if so, what is the triggering element giving rise to this claim.
63. In support of its claim, Pyramids FC relies on Article 3 para. b of the Transfer Agreement and maintains that Paranaense has thereby undertaken the obligation to make all related solidarity contribution payments on its behalf. On the contrary, Paranaense contends that it never undertook the responsibility to make such payments to third parties, and, that the relevant provision of the Transfer Agreement simply indicates that solidarity contribution would be paid on top of the transfer fee. On this basis, Paranaense contends that it has no legal or contractual obligation to reimburse any amount of solidarity contribution to Pyramids FC.
64. In this context, the Sole Arbitrator is aware that the relevant provisions of the FIFA RSTP on solidarity contribution do not prevent the contracting parties in a transfer agreement from agreeing to shift the financial burden for the required solidarity contribution payments, provided that the rights of third parties, namely the training clubs, are not prejudiced. This is confirmed by previous CAS Panels that have recognized that, within the framework of contractual freedom, parties may conclude internal agreements to decide which club shall finally bear the burden and shall pay the solidarity contributions (CAS 2015/A/4105 para. 38 - 40, CAS 2016/A/4518 para. 86 with extensive references to relevant CAS case law).
65. However, in the case at hand, Article 3 para. b of the Transfer Agreement states merely that the transfer fee was inclusive of solidarity contribution, without any further details. By the plain wording of this contractual provision and based on an objective interpretation in line of article 1 of Annexe 5 to the FIFA RSTP, the Sole Arbitrator concludes that the amount of USD 2,500,000 represented a gross value of the transfer fee, meaning that a percentage of 5% thereof was specifically intended to cover claims for solidarity contribution payments to third parties.

66. Therefore, and in the absence of any different arrangement between the parties, Pyramids FC is in principle entitled to seek the amount of USD 57,801 from Paranaense as reimbursement for the same proportion of solidarity contribution that it ultimately paid out of its own resources to Botafogo. The legal basis for such claim is that the pertinent clause in the Transfer Agreement effectively indicated the transfer fee as a gross amount, and not net. Within this meaning, Paranaense has received an additional amount, since Pyramids FC omitted to retain the corresponding 5%, even though this was specifically agreed for solidarity contributions to third parties, and not as part of the transfer compensation.
67. Having established so, the Sole Arbitrator turns to examine what is the event that gives rise to this claim. This is necessary in order to define the two-year limitation period to bring such claim for adjudication in front of FIFA, in accordance with article 23 para. 3 of the FIFA RSTP.
68. In this respect, Pyramids FC argues that its entitlement for reimbursement of the amount of USD 57,801 arose on 30 March 2020, namely the day when it disbursed the same amount as solidarity contribution to Botafogo, thus suffering tantamount damages as a result of the breach of the Transfer Agreement.
69. The Sole Arbitrator finds this to be a completely irrelevant element. In fact, the Sole Arbitrator adheres to the interpretation given by a previous CAS Panel, that the event that gives rise to a dispute and activates the two-year limitation period in accordance with article 23 para. 3 of the FIFA RSTP, needs to be an objective moment in time that can be traced and ascertained by the parties involved (CAS 2020/A/7154 para. 71). Consequently, the random fact that Pyramids FC ultimately chose to make the respective payment to Botafogo on 30 March 2020, and not any time sooner, since FIFA's letter ordering such payment was issued on 28 October 2019, or even later, cannot be considered as an objective event that gives rise to its claim.
70. In the same context, the Sole Arbitrator is mindful that, in previous cases, CAS has held that the crucial moment that gives rise to a claim for reimbursement of solidarity contribution is the time when FIFA orders the new club to make the respective payment to a training club (CAS 2015/A/4105 para. 44). However, the factual background in this case is markedly different, as the parties failed to specify in an orderly manner their mutual rights and obligations in relation to solidarity contribution payments. Indeed, the Sole Arbitrator has already emphasised that the Transfer Agreement does not contain any clear arrangement in this respect.
71. Consequently, in the absence of a specific agreement between the parties, the Sole Arbitrator finds that the only straightforward, certain and objective point in time that can be considered as the starting point of this dispute, is the due date for payment of the mandatory solidarity contributions to the Player's training clubs, as per article 2 para. 1 of Annexe 5 of the FIFA RSTP. The Sole Arbitrator is of the opinion that this fixed deadline serves legal certainty and procedural economy, as all claims for solidarity contribution by the training clubs, and all co-related claims for reimbursement between a new club

and a transferring club could be settled within the same time frame.

72. In this case, as already noted, solidarity contribution payments should have been settled within thirty days following the Player's registration with Pyramids FC, that is thirty days as of 30 July 2018, namely by no later than 29 August 2018. Therefore, and in line with the findings of the Appealed Decision, the Sole Arbitrator considers that the event giving rise to this dispute coincides with the due date for solidarity contribution payments. As a result, the two-year limitation period started running as from 30 August 2018.
73. In light of the above, and considering that Pyramids FC filed its claim in front of FIFA PSC for the first time on 2 November 2021, the Sole Arbitrator rules that the claim is time-barred, since more than two years have elapsed as of 30 August 2018.
74. The Appealed Decision is therefore confirmed in its entirety.

## **IX. COSTS**

75. Article R64.4 of the CAS Code provides as follows:

*“At the end of the proceedings, the CAS Court Office shall determine the final amount of the cost of the arbitration, which shall include: the CAS Court Office fee, the administrative costs of the CAS calculated in accordance with the CAS scale, the costs and fees of the arbitrators, the fees of the ad hoc clerk, if any, calculated in accordance with the CAS fee scale, a contribution towards the expenses of the CAS, and the costs of witnesses, experts and interpreters. The final account of the arbitration costs may either be included in the award or communicated separately to the parties...”*

76. Article R64.5 of the CAS Code provides that:

*“In the arbitral award, the Panel shall determine which party shall bear the arbitration costs or in which proportion the parties shall share them. As a general rule, and without any specific request from the parties, the Panel has discretion to grant the prevailing party a contribution towards its legal fees and other expenses incurred in connection with the proceedings and, in particular, the costs of witnesses and interpreters. When granting such contribution, the Panel shall take into account the complexity and outcome of the proceedings, as well as the conduct and the financial resources of the parties.”*

77. Taking into account the outcome of these arbitration proceedings, and in particular the fact that the Appellant's claim was time-barred and the appeal is dismissed, the Sole Arbitrator finds it reasonable that the arbitration costs of these proceedings, to be determined and served to the Parties by the CAS Court Office shall be borne by the Appellant.
78. Moreover, along with these considerations, and also taking into account the financial resources of the Parties, the Sole Arbitrator decides that the Appellant shall bear its own legal costs and other expenses and pay a

contribution of CHF 3,000 to the First Respondent towards the legal costs and other expenses incurred in connection with the present arbitration proceedings. The Second Respondent, not being represented by an external counsel, shall bear its legal costs and other expenses incurred by these arbitral proceedings.

\*\*\*\*\*



## **ON THESE GROUNDS**

### **The Court of Arbitration for Sport rules that:**

1. The appeal filed by Pyramids FC on 23 February 2022 against the decision passed on 6 December 2021 by the FIFA Player's Status Chamber is dismissed.
2. The decision passed on 6 December 2021 by the FIFA Player's Status Chamber is confirmed.
3. The costs of the arbitration, to be determined and served to the Parties by the CAS Court Office, shall be borne in their entirety by Pyramids FC.
4. Pyramids FC is ordered to pay Club Athletico Paranaense an amount of CHF 3,000 (three thousand Swiss francs) as contribution towards its legal expenses incurred in connection with this arbitration.
5. The Fédération Internationale de Football Association shall bear its own legal costs and other expenses incurred by this arbitration.
6. All other motions or prayers for relief are dismissed.

Seat of arbitration: Lausanne, Switzerland

Date: 2 May 2023

**THE COURT OF ARBITRATION FOR SPORT**

Sofoklis P. Pilavios  
Sole Arbitrator