



**TAS / CAS**

TRIBUNAL ARBITRAL DU SPORT  
COURT OF ARBITRATION FOR SPORT  
TRIBUNAL ARBITRAL DEL DEPORTE

**CAS 2023/A/9386 Liaoning Shenyang Urban FC v. Fédération Internationale de Football Association (FIFA)**

## **ARBITRAL AWARD**

**delivered by the**

## **COURT OF ARBITRATION FOR SPORT**

**sitting in the following composition:**

President: Mr Jacopo **Tognon**, Professor and Attorney-at-Law in Padova, Italy

Arbitrators: Mr Efraim **Barak**, Attorney-at-Law in Tel Aviv, Israel

Mr Mark Andrew **Hovell**, Solicitor in Manchester, United Kingdom

**in the arbitration between**

**Liaoning Shenyang Urban FC**, the People's Republic of China

Represented by Mr Marc Cavaliero and Mr Jaime Cambreleng, Attorneys-at-Law, Cavaliero & Associates SA, Geneva, Switzerland and Ms Gong Xiaoyan, East & Concord Partners, Beijing, the People's Republic of China

**Appellant**

**and**

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

Represented by Mr Alexander Jacobs, Senior Legal Counsel, FIFA, Zurich, Switzerland

**Respondent**

**I. PARTIES**

1. Liaoning Shenyang Urban FC (the “Appellant” or the “Club”) is a professional football club based in Shenyang, the People’s Republic of China. It is a member of the Chinese Football Association (the “CFA”) which in turn is affiliated with the *Fédération Internationale de Football Association* (“FIFA”).
2. FIFA (or the “Respondent”) is the international governing body of football with its headquarters in Zurich, Switzerland.
3. The Appellant and the Respondent shall hereinafter be jointly referred to as the “Parties”, where applicable.

**II. FACTUAL BACKGROUND**

4. Below is a summary of the relevant facts and allegations based on the Parties’ written submissions, pleadings and evidence adduced at the hearing on 14 June 2023. Additional facts and allegations found in the Parties’ written submissions, pleadings and evidence may be set out, where relevant, in connection with the legal discussion that follows. While the Panel has considered all the facts, allegations, legal arguments and evidence submitted by the Parties in the present proceedings, it refers in its Award only to the submissions and evidence it considers necessary to explain its reasoning.

**A. Background Facts***i. Liaoning Hongyun FC*

5. Liaoning Hongyun FC (“Liaoning FC”) was founded in 1995 and based in Shenyang, the People’s Republic of China. It used to be a member of the CFA. In the football seasons 2018 and 2019, it participated in China League One, the second tier of the league competitions organized by the CFA.
6. On 21 May 2020, Liaoning FC along with 10 other professional football clubs was deregistered from the CFA by means of a disciplinary decision due to unresolved overdue payables. Press articles concerning Liaoning FC’s financial difficulties and its possible disaffiliation were reportedly released as early as on 12 March 2020.
7. According to information provided by the CFA, the legal entity operating Liaoning FC was, at the time of the FIFA disciplinary proceedings, existent, operative and registered under the respective laws and was not subject to insolvency or bankruptcy proceedings.

*ii. Liaoning Shenyang Urban FC*

8. Liaoning Shenyang Urban FC was a separate football club, founded in 2015 and is based also in Shenyang, the People’s Republic of China. In the football seasons 2016, 2017, 2018 and 2019 it participated in the China League Two – the third tier of the league competitions organized by the CFA. As a result of the Appellant ranking first in

China League Two in the 2019 season, it was promoted to compete in China League One starting from the 2020 season.

9. The Appellant was initially registered under the name “Shenyang Urban FC”. On 11 March 2020, the shareholders of the Appellant approved its new name, i.e. Liaoning Shenyang Urban FC. The change of the Appellant’s name was approved by the Shenyang Football Association (the “SFA”) on 30 March 2020 and by the Liaoning Provincial Sports Bureau (the “LPSB”) on 1 April 2020. Upon the Appellant’s request filed on 25 December 2020, on 8 January 2021 the CFA approved its new name and confirmed that it conforms with the “Notice on the Non-enterprise Change of Club Names in Professional Leagues at All Levels” issued by the CFA. It is worth noting that Liaoning is a coastal province in Northeast China and Shenyang is its Capital.
10. After Liaoning FC’s disaffiliation with the CFA, three professional players previously registered with Liaoning FC joined Liaoning Shenyang Urban FC. One player that had been playing in the first team of Liaoning FC and two players that had been playing in its U-19 team were registered with the Appellant’s first team. During the 2020 season, the Appellant contracted 15 new players, three of which were those coming from Liaoning FC. Furthermore, 25 amateur players previously registered with Liaoning FC joined the Appellant’s youth teams, U-12, U-13, U-14 and U-19 respectively.
11. On 23 May 2020, the Appellant published on its social media a video which was reportedly meant to pay tribute to Liaoning FC.
12. On 25 May 2020, a ceremony organized by the Liaoning Football Association (the “LFA”) took place during which the LPSB awarded the Appellant the flag of “New Liaozu/Xiaohu”. On its Weibo profile, the Appellant announced that it will “continue the bloodline of Liao Football and take up the historical mission of revitalizing and developing Liaoning Football”.
13. On 13 August 2021, another flag ceremony was organized by the LFA, during which the flag of “New Liaozu” was awarded to Li Tie FC.

*iii. Proceedings before the FIFA Dispute Resolution Chamber*

14. On 26 November 2019, the Single Judge of the sub-committee of the FIFA Dispute Resolution Chamber (the “FIFA DRC”) ordered Liaoning FC to pay to the club Gremio Osasco Audax EC (“Gremio”) the amount of EUR 18,844.50 plus 5% interest *p.a.* as of 30 days of the due date of each instalment until the date of effective payment (the “FIFA DRC Decision”). The parties to the proceedings before the FIFA DRC were exclusively Gremio as the claimant and Liaoning FC as the respondent. The decision of the FIFA DRC was notified to the parties to the dispute on 11 December 2019.
15. On 28 May 2020, due to non-compliance of Liaoning FC with the FIFA DRC Decision, a registration ban was implemented upon Liaoning FC for the maximum duration of up to three entire and consecutive registration periods.

**B. Proceedings before the FIFA Disciplinary Committee**

16. On 1 June 2022, Gremio requested the Secretariat to the FIFA Disciplinary Committee (the “FIFA DC”) to open disciplinary proceedings against the Appellant as it had reasons to believe that the Appellant should be considered and treated as the sporting successor of Liaoning FC and therefore be liable for the debts incurred by the latter in accordance with the FIFA DRC Decision.
17. On 8 August 2022, Gremio supplemented its request.
18. On 9 August 2022, the FIFA DC opened investigations against the Appellant for the possible breach of Article 15 of the FIFA Disciplinary Code and invited the Appellant and the CFA to provide the FIFA DC with various information and documents, as well as their respective positions.
19. On 20 August 2022, the Appellant provided the FIFA DC with the requested information and documents along with its position as to the subject matter of the investigation. The Appellant contended that it is not the sporting successor of Liaoning FC.
20. On 25 August 2022, the CFA provided its submission in which it concluded that the Appellant does not have a “successor relationship” with Liaoning FC.
21. On 22 September 2022, the Secretariat to the FIFA DC issued its Investigatory Report in which it analysed 16 elements that could reveal a sporting succession between Liaoning FC and the Appellant. The Investigatory Report informed that the clubs shared the same name, team colours, players, officials/staff, football division in which they played, and that the public perceived the Appellant as the sporting successor of Liaoning FC. The Secretariat to the FIFA DC thus concluded that the elements that reveal sporting succession in this case prevailed over the non-existence elements. Consequently – as per the conclusions of the Investigatory Report – the Appellant was found to be the sporting successor of Liaoning FC.
22. On the basis of the foregoing, on 6 October 2022, the disciplinary proceedings were opened against the Appellant for a potential breach of Article 15 of the FIFA Disciplinary Code. The Appellant was granted a time limit of 6 days to provide the Secretariat to the FIFA DC with its position.
23. On 31 October 2022, i.e. within the extended time limit, the Appellant submitted its position. The Appellant reiterated that it is not a sporting successor of Liaoning FC and it cannot be held liable for its debts. Additionally, the Appellant submitted that due to the lack of any evidence that Gremio was a diligent creditor, no sanction could be in any way imposed on it based on Gremio’s lack of diligence.
24. On 3 November 2022, the FIFA DC passed the Decision in the case ref. no. FDD-11332 (the “Appealed Decision”). The operative part of the Appealed Decision provides in its relevant parts that:

*“1. Liaoning Shenyang Urban FC is considered responsible for the debt(s) incurred by the club Liaoning FC and, as such, is found responsible for failing to comply in full with the FIFA decision rendered on 26 November 2019 (Ref. TMS 4002).*

*2. Liaoning Shenyang Urban FC is ordered to pay to Gremio Osasco Audax EC as follows:*

- *EUR 18,844.50, plus 5% interest p.a. as of 30 days of the due date of each instalment until the date of effective payment.*

*[...]*

*4. Liaoning Shenyang Urban FC is ordered to pay a fine to the amount of CHF 5,000.*

*[...]”*

25. On 6 January 2023, upon the Appellant’s request, the FIFA DC notified the grounds of the Appealed Decision.
26. In the grounds, the FIFA DC noted that the Appellant shared several significant similarities with Liaoning FC, all of which pointed towards a sporting succession between them.
27. In particular, the FIFA DC found that the names of the two were very similar, that both clubs had the same team colours and that both clubs competed in the same footballing division. Furthermore, the FIFA DC noted that the Appellant could be seen to share a number of the same players as Liaoning FC and that this fact – irrespective of whether these players joined the Appellant’s first team or not – irrefutably effectuated a sense of commonality between the two.
28. In addition, the FIFA DC was assured that the Appellant was clearly identified by the public as being connected to Liaoning FC. Consequently, the FIFA DC concluded that the Appellant was to be considered as the sporting successor of Liaoning FC. Having determined the foregoing, the FIFA DC provided that whenever a club is considered the sporting successor of a non-compliant party that no longer exists or is no longer under FIFA’s jurisdiction, it is automatically responsible of the debts of its predecessor. In this respect, the FIFA DC found no basis to endorse the Appellant’s submissions regarding Gremio’s lack of diligence as the creditor.
29. Therefore, the FIFA DC found the Appellant liable for the debts incurred by Liaoning FC. Regarding the imposed fine, the FIFA DC regarded a fine amounting to CHF 5,000 as appropriate and compliant with the FIFA DC’s established practice.

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

30. On 20 January 2023, the Appellant lodged the Statement of Appeal in accordance with Articles R47 and R48 of the CAS Code of Sports-related Arbitration (the “CAS Code”) against the Respondent before the Court of Arbitration for Sport (the “CAS”) with

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respect to the Appealed Decision, requesting that the proceedings be conducted in English and that the dispute be solved by a Panel of three arbitrators. The Appellant nominated Mr Efraim Barak as arbitrator. At the same time, the Appellant requested an extension of 30 days to file its Appeal Brief.

31. On 23 January 2023, the CAS Court Office acknowledged receipt of the Statement of Appeal. The CAS Court Office confirmed an extension of 10 days to file the Appeal Brief and, *inter alia*, invited the Respondent to comment on the Appellant's request for an additional extension of 20 days within 3 days.
32. On 25 January 2023, the Respondent informed the CAS Court Office that it agreed to conduct the present proceedings in English and that it did not object to an additional 20-day extension for the Appellant to file its Appeal Brief.
33. On the same date, the CAS Court Office acknowledged receipt of the Respondent's correspondence and confirmed that the Appellant's extension request was granted.
34. On 2 February 2023, the Respondent informed the CAS Court Office that it nominates Mr Mark Andrew Hovell as arbitrator.
35. On 24 February 2023, the CAS Court Office informed the Parties that Mr Jacopo Tognon has been appointed as the President of the Panel by the Deputy President of the CAS Appeals Arbitration Division.
36. On 8 March 2023, the Appellant filed its Appeal Brief in accordance with Article R51 of the CAS Code.
37. On 9 March 2023, the CAS Court Office acknowledged receipt of the Appeal Brief and informed that, pursuant to Article R55 of the CAS Code, the Respondent shall file its Answer within 20 days from receipt of this letter by email.
38. On 27 March 2023, the Respondent requested an extension of 20 days to file its Answer.
39. On 28 March 2023, the CAS Court Office acknowledged receipt of the Respondent's request, confirmed that an extension of 10 days is granted and invited the Appellant to comment on the former's request for an additional 10-day extension of its time limit to file the Answer by 30 March 2023.
40. On the same date, the Appellant informed the CAS Court Office that it did not object to the Respondent's request for the additional extension.
41. Still on the same date, the CAS Court Office acknowledged receipt of the Appellant's correspondence and confirmed that the Respondent's extension request was granted.
42. On 18 April 2023, the Respondent filed its Answer pursuant to Article R55 of the CAS Code.

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43. On the same date, the CAS Court Office acknowledged receipt of the Respondent's Answer and informed the Parties that, unless they agreed or the President of the Panel ordered otherwise, they shall not be authorized to supplement or amend their requests or their arguments. Furthermore, the CAS Court Office invited the Parties to inform it by 21 April 2023 whether they preferred a hearing to be held in this matter or for the Panel to issue an award based solely on the Parties' written submissions. Within the same time limit, the CAS Court Office invited the Parties to inform whether they requested a case management conference with the Panel. Finally, the CAS Court Office informed the Parties that, pursuant to Article R54 of the CAS Code, the Panel had been constituted as follows:

President: Mr Jacopo Tognon, Attorney-at-Law in Padova, Italy

Arbitrators: Mr Efraim Barak, Attorney-at-Law in Tel Aviv, Israel  
Mr Mark Andrew Hovell, Solicitor in Manchester, United Kingdom

44. On 21 April 2023, the Respondent informed the CAS Court Office that it did not consider a hearing necessary but considering that the Appellant called several witnesses, it was not unreasonable for such a hearing to take place. Additionally, the Respondent informed that it did not request a case management conference.

45. On the same date, the Appellant informed the CAS Court Office that it wished a hearing to be held in this case. Additionally, the Appellant informed that it did not consider a case management conference to be necessary.

46. On 3 May 2023, the CAS Court Office informed the Parties that the Panel has decided to hold a hearing in this matter and that the Panel would be available for the hearing on 14 June 2023. The CAS Court Office invited the Parties to advise, by 5 May 2023, whether they would be available on this date.

47. On 4 May 2023, the Respondent informed the CAS Court Office that it would be available for a hearing on 14 June 2023.

48. On 5 May 2023, the Appellant informed the CAS Court Office that it would be available for a hearing on 14 June 2023. At the same time, the Appellant requested that its witnesses, who all resided in China, be heard by videoconference.

49. On 8 May 2023, the CAS Court Office informed the Parties that the hearing in this case would take place on 14 June 2023 in Lausanne, Switzerland. In addition, the CAS Court Office informed the Appellant that its witnesses were allowed to attend the hearing by videoconference and invited the Appellant to submit to the CAS Court Office, within 7 days, witness statements of its called witnesses. Finally, the Parties were requested to sign and return to the CAS Court Office a copy of the Order of Procedure by 16 May 2023.

50. On 9 May 2023, the Respondent provided the CAS Court Office with a signed copy of the Order of Procedure and the list of attendees for the hearing.

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51. On 15 May 2023, the Appellant provided the CAS Court Office with a signed copy of the Order of Procedure and the list of attendees for the hearing.
52. On 25 May 2023, the Appellant provided the CAS Court Office with the written witness statements.
53. On 6 June 2023, by letter sent to the CAS Court Office, the Appellant questioned the alleged reliability of the author that published the media article enclosed as Exhibit 14 of the Answer on which FIFA is basing most of its reasoning. The Appellant states that *“by clicking on the name of the author (translated as “Xiaoguai Talking about Entertainment News”) of this article, the Panel will be redirected to its profile that shows the previous publications of this author. As can be appreciated, none of these publications concern football or sports business issues, nor do they reflect serious or reliable journalism”*. The Appellant also provided the titles of some of said articles.
54. On 14 June 2023, the hybrid hearing took place. In addition to the Panel and Mr Björn Hessert, Counsel to the CAS, the following persons attended the hearing:

On behalf of the Appellant:

- Ms Gong Xiaoyan – legal counsel,
- Mr Marc Cavaliero – legal counsel,
- Mr Jaime Cambreleng – legal counsel,
- Mr Nicolò Juglair – legal counsel,
- Ms Liu Shuilan – interpreter,
- Mr Fu Ye – witness,
- Mr Fan Guanghui – witness,
- Mr Wang Xiao – witness,
- Mr Zhang Wenhan – witness,
- Ms Zhang Wei – witness,
- Mr Yu Shang – witness.

On behalf of the Respondent:

- Mr Alexander Jacobs – legal counsel,
- Mr Miguel Liétard Fernández-Palacios – Director of Litigation at FIFA.



55. At the outset of the hearing, the Parties confirmed that they had no procedural objections as to the conduct of the proceedings and the appointment of the Panel. During the hearing, the Parties made submissions in support of their respective arguments. Furthermore, the Panel heard witnesses of the Appellant.
56. The statement of the witness, Mr Fu Ye, may be summarised as follows:
- Mr Fu Ye has been the Secretary General of the LFA since December 2019.
  - In 2020, Liaoning FC was in a bad financial situation and due to the fact that it could not meet the licensing requirements of the CFA, it was disaffiliated from the CFA and from the LFA. According to the witness, Liaoning FC has not entered bankruptcy proceedings and it still exists as a company.
  - The Appellant was promoted to China League One on sporting merit. This fact had nothing to do with Liaoning FC's disaffiliation.
  - After the disaffiliation of Liaoning FC, contracts of its players were automatically terminated. Most of the players that subsequently joined the Appellant were amateurs and youth players. Since they may not have wanted to leave their region, joining the Appellant was a natural choice.
  - The flag ceremonies in China are very common and traditional. Flags are often awarded to promote sport and to enhance the team's performance in competitions. However, they are mere political acts, in line with the broader national programme called "Three Balls" focused on development of football, basketball and volleyball.
  - The flag ceremonies on 25 May 2020 and 13 August 2021 were organized by LFA. The purpose of these flag ceremonies was to revitalize the Liaoning Football. According to the witness, the scope was to revitalize the football sector in Liaoning province. During the first flag ceremony, the LFA used two flags. The red and white flag was given to the Appellant. However, the LFA had no intention to merge the sporting history of Liaoning FC and the Appellant. The LFA did not consider the Appellant to be the continuation of Liaoning FC.
  - During the second flag ceremony, Li Tie FC was awarded a flag (recognized by the witness) for its contribution to training of youth teams.
  - When the Club was founded in 2015, the LFA did not organize a flag ceremony. According to the witness, the club did not have so much influence at that time. After its promotion to China League One, it gained importance and acquired a well-recognized identity.
  - Liaoning FC was registered with the LFA, while the Appellant was registered with the SFA. They were therefore registered with two different associations.

- To the best of the witness’s knowledge, neither the LFA nor its members or employees ever considered the Appellant to be the sporting successor of Liaoning FC.

57. The statement of the witness, Mr Wang Xiao, may be summarised as follows:

- Since December 2021, Mr Wang Xiao has been holding the position of the Head of International Matches of the Competition Department of the CFA. Before that he worked as the Manager of the National Team Department of the CFA and as the Manager of the League Department of the CFA. He joined the CFA in 2016.
- On 23 February 2017, the CFA issued the “Notice of Chinese Football Association on Regulating the Management of Professional Football Clubs” in which the CFA promoted the reform and standardization of clubs’ names.
- On 20 November 2018, the CFA issued the “Notice of Meeting on the Financial Regulation and Supervision of Professional Clubs” which included the regulations on naming of professional football clubs. By means of this document, the CFA required that the full name of football clubs reflected the following: geographical name + club name + “Football Club” + legal form (Joint Stock Company or others). The CFA required the clubs to complete the neutral naming process by 30 June 2021.
- On 14 December 2020, the CFA issued another document – “Notice on the Non-enterprise Change of Club Names in Professional Leagues at All Levels” in which it required that the official name of clubs should be standardized according to the following scheme: Name of the administrative division + Club Name + Football Club (FC) + Enterprise organization form.
- The process of standardization of the clubs’ names was a unique process that started in 2017. In 2018, the CFA issued a proposal while the official binding document was issued in 2020.
- On 25 December 2020, the CFA received the application from the Appellant for recognition of “Liaoning Shenyang Urban FC” as its name.
- On 8 January 2021, the CFA approved this name and confirmed it complied with the abovementioned documents’ requirements. Therefore, the Appellant completed the neutral club naming process in accordance with the CFA requirements.
- According to the witness, promotion of the Appellant to China League One was based solely on sporting merit and had nothing to do with the disaffiliation of Liaoning FC.
- To the best of the witness’s knowledge, neither the LFA nor its members or employees ever considered the Appellant to be the sporting successor of Liaoning FC.

- The witness asserts that Liaoning FC and the Appellant are two different entities.
- Liaoning is the name of the province while Shenyang is the capital of this province. It is a club's own decision to use the name of the province, the town, or both. Usually, the name of the province is used for investors and sponsors.

58. The statement of the witness, Mr Fan Guanghui, may be summarised as follows:

- Mr Fan Guanghui has been the Secretary General of the SFA since October 1995.
- Since 2018, following the disaffiliation of Shenyang Zhongze FC and Shenyang Dongjin FC, only two professional football clubs operated in the city of Shenyang – Liaoning FC and the Appellant. After Liaoning FC's disaffiliation, the Appellant remained the only professional football club in the city. It got promoted to China League One based on the sporting merit, not because of the connections with Liaoning FC.
- After the disaffiliation of Liaoning FC, many players became out of contract players and were seeking new employment. 28 players transferred to the Appellant which was a natural choice because its premises were 12 km away from the premises of Liaoning FC. Other nearest professional football clubs were approximately 350-400 km from Liaoning FC. The vast majority of these 28 players joined pre-existing youth teams of the Appellant. The Appellant had approximately 230 youth players registered at that time.
- Liaoning FC was registered with the LFA, while the Appellant was registered with the SFA. They were therefore registered with two different associations. The players of the clubs in the city were registered with the SFA while the players of the clubs located in the peripheries of the city were registered with the LFA.
- On 30 March 2020, the SFA approved the change of the Appellant's name considering that it met the relevant CFA requirements. The CFA also hoped that the Appellant could contribute to the development of football in the Liaoning province.
- To the best of the witness's knowledge, neither the SFA nor its members or employees ever considered the Appellant to be the sporting successor of Liaoning FC.

59. The statement of the witness, Mr Zhang Wehnan, may be summarised as follows:

- Mr Zhang Wehnan joined the LPSB in December 2006. He previously held the position of the Deputy Director of the General Office and the Head of Sports Industry Division. Since August 2020, he holds the position of the Director of the General Office of the LPSB.
- According to the witness, Liaoning FC and the Appellant constitute two independent legal entities, not legally related and both currently in existence. As to

their sporting relation, the witness compares it to the relation between such clubs as Manchester City and Manchester United or Real Madrid FC and Atlético de Madrid.

- “Liao Football” is the abbreviation of Liaoning Football and is not directly related to the name of the club, Liaoning FC. “Liao Xiaohu” is a characteristic brand of football talent training in Liaoning province, rooting back to 1975-1979.
  - On 8 March 2015, the General Office of the State Council issued a notice called “Overall Plan for Chinese Football Reform and Development” according to which the authorities of each region were expected to, *inter alia*, promote regional development of professional football. In this spirit, the LPSB aims to develop football in Liaoning, including implementing the programme “Three Balls”. It also intends to create a new generation of “Liao Xiaohu”.
  - On 25 May 2020, a flag ceremony was organized by the LFA. The meaning of this ceremony was to recognize the positive impact of the Appellant on youth football in the province and to enhance its development in the future. The witness presumes that this flag was awarded to the Appellant. However, the LPSB had no intention to merge the sporting history of the Appellant and Liaoning FC. These two clubs had different paths of development, different origins, and sporting achievements. According to the witness, they were not associated with others by the authorities and by the fans.
  - On 13 August 2021, another flag ceremony took place during which the flag of “New Xiaohu” was awarded to the Li Tie FC. This ceremony was also a part of the LPSB’s work to promote football in Liaoning. Both flag ceremonies were held as a result of a broad political and social context.
  - The change of the name of the Appellant was approved by the LPSB on 1 April 2020 after it had passed the Shenyang Administration for Industry and Commerce’s preliminary review.
  - The witness was not aware that the Appellant changed the colours of its jerseys.
60. The statement of the witness, Ms Zhang Wei, may be summarised as follows:
- Ms Zhang Wei has been the Head of the Competition and Training Department of the Appellant since August 2018.
  - The Appellant was established in June 2015. In that year, a football club Shenyang Zhongze FC competing in China League One was disaffiliated with the CFA. As a result, several players of the former joined the Appellant. Initially, the Appellant participated in the amateur competitions. In 2016, the Appellant started to compete in China League Two. After 4 seasons, the Appellant promoted to China League One based on sporting merit. After this promotion, the fan base and the sponsors of the Appellant remained unchanged. However, the Appellant needed to hire new players who would support its team in the higher division. Out of

15 newly contracted players in the senior team, only three of them originated from Liaoning FC. Following the disaffiliation, the Appellant hired only one medical staff member.

- In 2021, the Appellant had approximately 250 players in the youth sector. They had been very successful even before the disaffiliation of Liaoning FC and the subsequent transfer of a part of its youth players to the Appellant. Such movement of players after disaffiliation of a football clubs is common and is caused mostly by geographical factors.
- In November 2018, the Appellant decided to change its colours starting from the 2019 season. The witness asserts that the colours of the Appellant did not belong to any particular football club and that these colours do not have any particular meaning. However, red colour is generally considered as the favorite colour of Chinese people, representing luck, liveliness and peacefulness.
- The change of the name of the Appellant by adding the word “Liaoning” had the purpose of facilitate the recruitment of players from all over the Liaoning region (and not only Shenyang city) and from the rest of the country, as well as helping to promote future development of the Appellant. Secondly, this change was connected to the relevant CFA rules regarding neutral club naming. Not all football clubs in China decided to change their name as some of them were already in compliance with the CFA rules in this respect.
- The only purpose of the video issued by the Appellant on 23 May 2020 was to pay tribute to Liaoning FC which has contributed to the development of football in the Liaoning province and was recently disaffiliated. It was a gesture of respect. However, this video never intended to create a public perception that the Appellant is the sporting successor of Liaoning FC.
- According to the witness, the Appellant never tried to be seen as continuing the sporting activity of Liaoning FC. To the best of her knowledge, no fan or football stakeholder associated these two clubs with each other.

61. The statement of the witness, Mr Yu Shang, may be summarized as follows:

- Mr Yu Shang was an amateur player in the youth teams of Liaoning FC until the club was disaffiliated. At that time, he played in the U-19 team. In June 2020, the witness joined the U-19 youth team of the Appellant as an amateur player. Subsequently, the witness joined the senior team of the Appellant.
- The witness played in Guangzhou in the years 2014-2017. However, this city was too far from the witness’s home, so he wanted to move north. Ultimately, in 2018 the witness joined Liaoning FC.
- After turning 18 years old, Liaoning FC began to pay the witness a monthly fee. However, it was such a small amount that it did not allow the witness to live off it and he therefore continued to be registered as an amateur. A few days after

disaffiliation of Liaoning FC, the coach of the witness's team announced that the players' fees were not going to be paid, that the club was being disbanded and that the players should get ready to find another club. At that time, Liaoning FC's authorities were absent, and the witness could not receive any official or additional explanations. It became clear to the player that if he wanted to continue playing football, he should find another team.

- After the disaffiliation of Liaoning FC, there were two clubs that showed their interest in its players – Beijing Renhe FC and Kunshan FC. However, their capacities were limited, and the witness was not transferred to either of them. He wanted to find a club close to his home, so he chose to make his application with the Appellant, since it was the only professional football club in the region with similar training capabilities as Liaoning FC. Moving to the Club allowed the witness to continue living in Shenyang, where he lived for several years and had his friends. From a sporting perspective this allowed the witness to play with some familiar teammates. Moreover, the witness felt that the Appellant attached great importance to young players and the Club's coach Mr Zhao was very famous. The school environment and the fees proposed were good. This is why the witness considered joining the Appellant as a good opportunity to develop his career.
  - According to the witness, 16 players moved from Liaoning FC to the Appellant after the former's disaffiliation. However, as far as he remembers none of them ended up in the Appellant's first team.
  - To the best of the witness's knowledge, none of his former teammates considered the Appellant to be continuing sporting activity of Liaoning FC. Furthermore, the witness answered to the question of the Panel that as far as he knows none of the players that were previously registered with Liaoning FC and were afterwards registered with the Appellant following the disaffiliation of Liaoning FC were paid by the Appellant the debts that were due to them by Liaoning FC.
62. At the closing of the hearing, the Parties confirmed that they had no objections in respect of their right to be heard and that they had been given the opportunity to fully present their cases.

#### **IV. SUBMISSIONS OF THE PARTIES**

63. The following outline of the Parties' positions is illustrative only and does not necessarily comprise every argument advanced by the Parties. The Panel has nonetheless carefully considered all claims made by the Parties, whether or not there is a specific reference to them in the following summary.

##### **A. The Appellant's submissions**

64. The Appellant's submissions, in essence, may be summarized as follows:

- The Appellant argues that it is not the sporting successor of Liaoning FC. It asserts that it coexisted with Liaoning FC for 4 years, evolving simultaneously in the same city of Shenyang. The two clubs did not have any legal, commercial, or sporting relationship. The Appellant has had its own roster of players, coaches, technical staff, youth sectors, owners and shareholders, its own stadium, history and achievements etc., even after the disaffiliation of Liaoning FC. According to the Appellant, the only connection that occurred between these two clubs was the transfer of one player of Liaoning FC's first team and one staff member.
- The Appellant asserts that in line with the wording of Article 15 para. 4 of the FIFA Disciplinary Code and the related CAS jurisprudence, when assessing the occurrence of sporting succession, the following elements need to be taken into consideration: name, legal form, history, titles and sporting achievements, team colours, team logos, registered address, stadium, website and social media, ownership, management, players, staff, sponsors, football division and the opinion of the member association of the relevant clubs. According to the Appellant, the Investigatory Report, on which the Appealed Decision was based, only found 6 elements that could speak in favour of sporting succession in this case, one of them being public perception, which is not a criterion *per se*. The FIFA DRC in the Appealed Decision, in turn, considered superficially and broadly only 4 out of 16 elements, concluding that the Appellant sought to be publicly perceived as Liaoning FC's successor on the basis of its name, team colours, players and the football division, in which the two clubs participated. Therefore, the Appellant submits that already 12 elements that were omitted in the Appealed Decision point out in the direction of absence of any link and succession between them.
- The Appellant argues that it does not share the history and sporting achievements of Liaoning FC. The Appellant and Liaoning FC were established in different periods and followed different development paths. Their history and sporting achievements were disconnected, and this fact was confirmed in the Investigatory Report. The Appellant never sought to appropriate the history, sporting achievements or titles of Liaoning FC.
- After 3 seasons competing in China League Two, the Appellant promoted to China League One on the sole basis of sporting merit. It did not acquire the right to participate in this division due to or following Liaoning FC's disaffiliation. These two clubs did not share a league license and the Appellant was not awarded any sporting right that belonged to Liaoning FC. Should Liaoning FC not be disaffiliated, they would have competed in the same league division. Therefore, it cannot be concluded that ending up in the same division by these clubs speaks in favour of sporting succession.
- The Appellant asserts that its ownership and management does not have any connection with the ownership and management of Liaoning FC.

TRIBUNAL ARBITRAL DU SPORT  
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TRIBUNAL ARBITRAL DEL DEPORTE

- The Appellant contends that it does not share and did not take over any website, internet domain or social media with Liaoning FC. Furthermore, its media do not feature any achievements of Liaoning FC.
- As regards the officials and staff, the Appellant argues that it kept its coaching staff following the positive results it achieved on the pitch in 2019 season. After Liaoning FC's disaffiliation, the Club hired only one staff member and a doctor, previously working for Liaoning FC. This fact, in the Appellant's view, cannot constitute a factor of sporting succession.
- With respect to the team logo, the Appellant submits that its logo in comparison to Liaoning FC's logo does not demonstrate similarities but contains various elements of distinction making it clearly distinguishable. The Appellant also notes that neither the Investigatory Report nor the Appealed Decision found any connection in relation to this element.
- The Appellant asserts that Liaoning FC played its official matches in various stadiums, none of which was the Appellant's one – the Stadium of Shenyang City Construction University. This has not changed following the disaffiliation of Liaoning FC.
- The two clubs equally do not share a legal form. While the Appellant is a limited liability company, Liaoning FC is a joint stock limited company.
- The Appellant and Liaoning FC also did not share their registered addresses.
- Similarly, the sponsors of the Appellant differ entirely from sponsors of Liaoning FC.
- With regard to the opinion of the relevant member association (i.e. the CFA), the Appellant contends that in its written submission filed with FIFA before the Investigatory Report was issued, the CFA clearly stated that “*there's no successor relationship between the two clubs*”. Moreover, the CFA enacted the Regulations on the Transfer of Professional Football Clubs governing the issue of transfer of equity between football clubs and did not consider these regulations were applicable *in casu*.
- As regards the players of these two clubs, the Appellant points out the inaccuracy of the findings of the Investigatory Report, according to which a total of 28 players were transferred from Liaoning FC to the Appellant in 2020 and 2021. Against this background, the Appellant argues that only one professional player and two players from the U-19 team of Liaoning FC joined the Appellant's first team following the disaffiliation of the former. All other players that joined the Appellant following this event were amateur players. At the same time, the Appellant emphasizes that only 25 out of 156 youth amateur players of Liaoning FC moved to the Appellant. In this respect, the Appellant also contends that the reason for this movement was the fact that it is the only high ranked football club with youth teams with



comparable training possibilities in close geographical proximity to Liaoning FC's training facilities.

- With respect to the name of the two respective clubs, the Appellant argues that adding the word “Liaoning” to its name did not create a factor that speaks in favour of sporting succession between them. The Appellant asserts that their full names – Liaoning Hongyun and Liaoning Shenyang Urban – are clearly distinct and do not have any kind of similar appearance. The term “Liaoning” did not belong to Liaoning FC and, in fact, there were 32 clubs registered in China containing this word in their respective names. As to the reason of inclusion of the word “Liaoning” to the name of the Appellant, it submits that such change was made as a result of the CFA's requirements and to illustrate the location of the Club.
- The Appellant further argues that the change of its team colours similarly does not contribute to the conclusion that it is the sporting successor of Liaoning FC. The Appellant was, historically, rather ambivalent in choosing its team colours. The current colours (red, black and white) were chosen already after the 2018 football season and applied starting from the 2019 season, i.e. at the moment when both clubs were participating in their respective divisions. Such change is therefore not connected to the disaffiliation of Liaoning FC as the Appellant could not have predicted that such disaffiliation would occur a year later. In addition, the Appellant notes that a certain colour does not belong to one club and that the use of similar colours by several clubs does not create a risk of confusion. Moreover, today's jersey of the Appellant is striped, which was never the case of Liaoning FC. This further demonstrates that the Appellant never wished or intended to resemble Liaoning FC.
- The Appellant further submits that it is highly disputable whether the public perception shall be regarded as a separate criterion of sporting succession. This is all the more relevant as, according to the Appellant, the FIFA DRC did not establish that the Appellant met more specific requirements elaborated by the relevant CAS jurisprudence. Nevertheless, the Appellant argues that there is no cogent evidence to support such allegations regarding its public perception. In this respect, FIFA DRC relied solely on two articles issued by the same media outlet on 12 March 2020, which does not reflect the general public perception. In their media appearances, neither the Appellant nor its owners wanted to portray the Appellant as the sporting successor of Liaoning FC. On the contrary, it was crucial for them to separate one another. In what concerns the flag ceremony, the Appellant submits that it simply reflected the local authorities' hope to revitalize football in the Liaoning province as their biggest flagship (i.e. Liaoning FC) ceased to exist. Similarly, the Appellant contends that the tribute video it issued was meant only as a farewell to Liaoning FC. The Appellant never claimed to have taken over Liaoning FC, never associated itself with the history and sporting achievements of the latter, and never tried to achieve the public perception of being Liaoning FC.

- Lastly, the Appellant argues that the present case differs substantially from other cases of sporting succession in the CAS jurisprudence. Considering all these factors, the Appellant argues that it is not a sporting successor of Liaoning FC.

65. The Appellant's request for relief is the following:

*"Prayer 1: The decision of the FIFA Disciplinary Committee shall be set aside.*

*Prayer 2: All charges against Liaoning Shenyang Urban FC are dismissed and the disciplinary proceedings initiated against Liaoning Shenyang Urban FC shall be declared closed.*

*Prayer 3: FIFA shall be ordered to bear the costs of the arbitration and to contribute substantially to the legal fees incurred by Liaoning Shenyang Urban FC."*

## **B. The Respondent's submissions**

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

- The Respondent argues that the central thread of sporting succession is the public perception. According to the Respondent, the guiding principle of all cases of sporting succession is the new club's intention to be seen by the general public as the same original club that ceased its activities and to take advantage of the original club's goodwill. In this respect, the Respondent asserts that the Appellant is clearly portraying itself as Liaoning FC.
- The Respondent submits that it is entirely irrelevant how many elements of sporting succession are fulfilled or identified. Sporting succession shall always be analysed on a case-by-case basis, since there is no exhaustive list of criteria to identify a sporting successor. Some elements of the non-exhaustive list of criteria contained in Article 15 para. 4 of the FIFA Disciplinary Code must be fulfilled or identified. Whereas the case at hand does not benefit from a numerical abundance, it does not lack in clarity and relevance.
- As regards the name of the clubs, the Respondent argues that the names "Liaoning FC" and "Liaoning Shenyang Urban FC" are very similar, if not essentially the same. The Respondent indicates that the change of the Appellant's name was initiated prior to the start of the 2020 season and following the Appellant's promotion to China League One. This fact is particularly relevant, since by having the name change coincide exactly with the entry of the Appellant and the exit of the Liaoning FC from the same league, an inevitable and deliberate impression of continuity was created between the two clubs.
- The Respondent claims that the Appellant's reference to 32 clubs containing the word "Liaoning" in their name is deceptive, as what is crucial is the category of competition in which they are active. The relevance of the name is to capture the pre-existing fan base and commercial value – benefits that are generally not found at the lower amateur level. In this respect, the Respondent notes that in the history

of China's four biggest football competitions, there were only three clubs with the name "Liaoning", one of which is the Appellant.

- With regard to the Appellant's argument on the required standardization of the clubs' names and their compliance with the CFA regulations, the Respondent refutes such arguments for several reasons. First, the Respondent submits that the alleged standardization is directly contradicted by the CFA media release, in which it informed that the Appellant applied for changing its name due to internal reasons and its own development needs. Second, the Respondent remarks that the document submitted by the Appellant is a "Draft for Comments", therefore appearing as non-binding. Nevertheless, the Respondent asserts that there is no evidence on file whatsoever to indicate that there was indeed a need to further differentiate "Shenyang Urban" from its investor, since the Appellant already had a geographical attribute ("Shenyang") in its name. Both "Shenyang" and "Liaoning" appear to comply with the CFA requirements.
- In this respect, the Respondent also notes that such modification was executed nearly three years after the issuance of the document in question and in a close proximity to the disaffiliation of Liaoning FC being announced. The Respondent concludes that the Appellant seeks to be seen as Liaoning FC and create a distinct impression of continuity to benefit from its reputation among football fans and commercial value.
- With respect to team colours, the Respondent argues that the Appellant executed a radical change of its colours of both the jerseys and the club's logo to those of Liaoning FC somewhere between 2019 and 2020, i.e. in temporal coincidence with the Liaoning FC's disaffiliation. It is, according to the Respondent, the visual proof of the Appellant's adoption of the Liaoning FC's identity. The Appellant's ambivalence to its team colours was replaced by remarkable finality and regularity since the shift to the colours previously used by Liaoning FC. The Respondent submits that the risk of confusion is not a relevant factor in the case at hand and is entirely beside the point. Moreover, the Respondent notes that the only jersey of the Appellant that was striped was not the new one but the 2017 away shirt.
- The Respondent notes that the relevance of the club's name and colours has been considered in the CAS jurisprudence as essential elements for the market perception and as a factor to denote continuity between the predecessor and sporting successor.
- As regards the category of competition, the Respondent does not contest the fact that the Appellant was promoted to China League One based on sporting merit. The Respondent notes that a direct replacement is not a condition *sine qua non* of sporting succession. However, the Respondent submits that what is important is the Appellant's intention to be seen by the general public as Liaoning FC and whether the former benefitted from the latter's delegation.
- In relation to the players who moved to the Appellant after the Liaoning FC's disaffiliation, the Respondent indicates that the bottom line is that there is a great degree of commonality between the Appellant and Liaoning FC following the move

of all these players. The movement of such a significant number of players coincided with the disaffiliation of Liaoning FC as well as with other factors enhancing this commonality (name, team colours and category of competition). Transfer of a significant number of players to the Appellant following the Liaoning FC's disaffiliation was also recognized and noted in the media.

- The Respondent further argues that the fifth and the predominant element in the case at hand concerns the general public's identification of the Appellant as the successor of Liaoning FC.
- Such public perception is evidenced by a series of publicly available sources of information that clearly connect these two clubs and describe the "rebirth" or "revival" of Liaoning FC. Public perception of the Appellant as the sporting successor of Liaoning FC was further strengthened by the tribute video posted by the former on 23 May 2020 on its social media account and the flag ceremony taking place on 25 May 2020. The Appellant's tribute video was, according to the Respondent, a deliberate strategy to immediately capitalize on the Liaoning FC's disaffiliation.
- With respect to the flag ceremony, the Respondent contends that it should be considered within the context of a bigger scheme as described in the media article submitted by the Respondent. The Respondent acknowledges that for a perception to be created for the general public, there have to be factors of "appearance" that overlap. The point is rather that a perception of sporting continuation is created (which is broader than just the appearance) by having a change in appearance exactly coincide with an exchange of presence in China League One.
- The Respondent reiterates that by identifying itself as the exact same club that had earned popularity in Liaoning for over half a century, the Appellant seeks to benefit from a pre-existing fan base and commercial value that a young new club would never obtain from one day to another or within the span of a few years. Therefore, an entity who seeks to benefit from the values created by another club shall also take on the responsibilities generated by the same club.
- According to the Respondent, the factors elaborated in its Answer concern aspects of football that prevail over the other elements on which the Appellant seeks to contest the Appealed Decision.
- The Respondent emphasizes that the Appellant is indeed operating with 28 players and 1 staff member of Liaoning FC, that it essentially took over the position of Liaoning FC in China League One, that it takes advantage of numerous assets of Liaoning FC and that it looks to be assimilated to Liaoning FC.
- On the basis of the foregoing, the Respondent concludes that the Appellant violated Article 15 para. 4 of the FIFA Disciplinary Code and that the sanctions imposed on the Appellant are proportional.

67. The Respondent's request for relief was the following:

68. “[...] FIFA respectfully requests the Panel to issue an award on the merits:
- (a) Rejecting the requests for relief sought by the Appellant;
  - (b) Confirming the Appealed Decision;
  - (c) Ordering the Appellant to bear the full costs of these arbitration proceedings;
  - (d) Ordering the Appellant to make a contribution to FIFA’s legal costs.”

## V. JURISDICTION

69. 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.”*

70. Article 57 para. 1 of the FIFA Statutes (May 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.”*

71. Similarly, the Appealed Decision provides for an appeal to CAS.

72. The jurisdiction of the CAS derives from Article 57 para. 1 of the FIFA Statutes and Article R47 of the CAS Code and is confirmed in the Appealed Decision itself. Furthermore, the jurisdiction of the CAS is not contested by the Respondent and is confirmed by the Order of Procedure duly signed by the Parties.

73. Therefore, the Panel finds that the CAS has jurisdiction to decide on the present dispute.

## VI. ADMISSIBILITY

74. Article R49 of the CAS Code provides in its relevant parts 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 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.”*

75. Article 57 para. 1 of the FIFA Statutes quoted above provides for a time limit to lodge an appeal against a decision of the FIFA DC of 21 days as of receipt of the decision in question.
76. The grounds of the Appealed Decision were notified to the Appellant on 6 January 2023. The Appellant filed its Statement of Appeal on 20 January 2023 and therefore within the 21-day time limit.
77. The Panel thus concludes that the present appeal is admissible.

## VII. APPLICABLE LAW

78. 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.”*

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

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

80. The foregoing was acknowledged by the Parties in the Appeal Brief and the Answer, respectively.
81. Therefore, the Panel concludes that the applicable regulations in the present dispute are, in principle, the relevant FIFA regulations, including the FIFA Disciplinary Code (2019 edition), and, subsidiarily, Swiss law.

## VIII. MERITS

82. The dispute at hand revolves around the question whether the Appellant is the sporting successor of Liaoning FC and, consequently, whether it is responsible for the liabilities incurred by the latter in the FIFA DRC Decision.
83. According to Article 15 para. 4 of the FIFA Disciplinary Code:

*“The sporting successor of a non-compliant party shall also be considered a non-compliant party and thus subject to the obligations under this provision. Criteria to assess whether an entity is to be considered as the sporting successor of another entity are, among others, its headquarters, name, legal form, team colours, players, shareholders or stakeholders or ownership and the category of competition concerned.”*

84. The applicable law, including the relevant FIFA regulations and Swiss law, does not provide a legal definition of sporting successor, nor a *numerus clausus* of criteria to determine sporting succession, the fulfilment of which would precondition the sporting succession in a given case. However, there exists an extensive case law which provides useful guidance in this respect.
85. Firstly, the Panel notes that the issue of succession of two sporting clubs may differ from succession of two legal entities on the basis of the applicable civil law. In this respect, and as a starting point to the discussion, the Panel adheres to the well-established jurisprudence dealing with the question of nature of a “football club” and the attempt to define a “football club”, according to which “*a club is a sporting entity identifiable by itself that, as a general rule, transcends the legal entities which operate it*” (see e.g. CAS 2018/A/5618 para. 65). Yet, this self-identification or self-determination of an entity as a “football club” does not answer the question of whether and in which circumstances a certain football club may be identified and found to be the football successor of a different “football club”.
86. The provision of Article 15 para. 4 of the FIFA Disciplinary Code provides an exemplary list of criteria (“*among others*”) which should be taken into consideration when assessing a case of potential sporting succession. This is followed by the extensive CAS jurisprudence which sets out a wide range of criteria to determine whether sporting succession between two clubs effectively took place, irrespective of the legal form under which the respective clubs appear to operate (see e.g. CAS 2007/A/1355, CAS 2011/A/2614, CAS 2011/A/2646, CAS 2012/A/2778, CAS 2016/A/4550, CAS 2016/A/4576).
87. In particular, it is worth recalling the award rendered in CAS 2013/A/3425, in which the Panel held as follows (original text in Spanish):
- “[...] the identity of a club is constituted by elements such as its name, colours, fans, history, sporting achievements, shield, trophies, stadium, roster of players, historic figures, etc. that allow it to distinguish from all the other clubs. Hence, the prevalence of the continuity and permanence in time of the sporting institution in front of the entity that manages it has been recognised, even when dealing with the change of management companies completely different from themselves”.*
88. This approach has been further applied in a number of CAS awards (see e.g. CAS 2016/A/4576, CAS 2018/A/5618, CAS 2020/A/6884 and CAS 2020/A/7092).
89. Furthermore, the Panel acknowledges that “*as opposed to the concept of legal succession, [...] in the context of sporting succession it is of relevance to determine this concept in light of the eyes of the general public. In other words, so the Sole Arbitrator finds, the picture the alleged sporting successor presents to the general public is of relevance. A parallel can be drawn with the ‘sporting name’ of a club, which is the name under which a club appears in public.*” (CAS 2020/A/7290 para. 79).
90. The Panel accepts that each case of potential sporting succession should be assessed individually. As recalled by one of the Panels: “*such analysis is to be made on a case-by-*

*case basis, i.e. elements present in a certain case may tip the balance in one direction, whereas elements present in a lesser or higher degree in another case, may tip the balance in the opposite direction.” (CAS 2020/A/7092 para. 69).*

91. Although the abovementioned criteria are exemplary only and none of them are considered in the CAS jurisprudence as general conditions *sine qua non*, they indeed provide a useful, measurable tool in order to thoroughly assess whether or not one club is a sporting successor of another. That being said, the Panel is of a view that evaluation of sporting succession cannot prescind from the established criteria that speak in favour (or not) of sporting succession *in casu*.
92. In order to draw a more complete picture of the special phenomena of sporting succession that, as already mentioned, may differ from succession between two legal entities on the basis of the applicable civil law, it is worth noting that the case at hand (as opposed to other cases that dealt with a possible sporting succession) does not deal with the transfer of assets as well the transfer of rights and duties from one club to another club when it is proven to the satisfaction of the Panel that such transfer took place as a result of the acquisition of the assets (including rights and duties) of the former debtor club by the new club, be it based on a private agreed transaction between the two entities or as a result of the acquisition of the assets of a certain football club as a result of bankruptcy or liquidation proceedings at national courts. Such cases may be different from each other by their nature, by the legal regime that may govern the situation, and as a consequence by the possible outcome of the assessment of the relevant factors in each case when coming to decide whether the new club should be considered as the sporting successor of the former one and thus also whether it will be liable to pay debts of the former club and if so which debts. As said, each case should be dealt with according to its specific circumstances. Having noted the foregoing, the Panel will now turn to analyse the particular criteria and circumstances of the case at hand in order to establish whether the Appellant is in fact a sporting successor of Liaoning FC.
  - i. *History, sporting achievements and football division*
93. The first criteria that the Panel will examine are the history, sporting achievements and football division of the Appellant and Liaoning FC. Because of the fact that these criteria are closely related, the Panel decided to consider them jointly.
94. In this respect, the Panel notes that the Appellant and Liaoning FC have been established in different periods. Liaoning FC was registered in Shenyang, Liaoning, in 1995 and was one of the founding members of the first fully professional top tier league in China. In the 2000 football season, Liaoning FC was the winner of the Chinese Super Cup. In the 2009 season, it ranked first in the China Super League. In the 2018 and 2019 football seasons, it participated in the second-tier league, China League One. The 2019 season was the last season in which Liaoning FC participated in organized football. Due to unresolved overdue payables, by means of a disciplinary decision it was deregistered from the CFA on 21 May 2020.
95. The Appellant, in turn, was founded in 2015 and similarly registered in Shenyang, Liaoning. It started to participate in amateur competitions. In the 2016, 2017, 2018 and



2019 football seasons, it participated in the third-tier league, China League Two. In the 2019 football season, the Appellant won China League Two and consequently promoted to the higher division, China League One. Since then, the Appellant participated in the second-tier league competitions.

96. The Panel therefore notes that the Appellant and Liaoning FC competed in organized professional football simultaneously since 2016 until 2019. In this period, the two clubs participated in different football divisions, hence obtaining different sporting achievements.
97. It is uncontested by the Parties that the Appellant promoted to China League One on the basis of sporting merit only. Despite the Parties' agreement in this respect, the Panel additionally finds that no evidence on file could prove the contrary. The Appellant did not share the license of Liaoning FC and did not acquire its federative rights. It cannot therefore be concluded that the Appellant replaced Liaoning FC in the second-tier division and in this way benefitted from Liaoning FC's disaffiliation. The Appellant rightly points out that should Liaoning FC not have been disaffiliated, both clubs would have competed against each other in China League One as from the 2020 football season.
98. It has also not been proven that after disaffiliation of Liaoning FC, the Appellant took over the sporting achievements of the former and started to use them to its advantage. There is no evidence on file that the Appellant presented the history, achievements, or trophies of Liaoning FC as its own. The Panel is satisfied that the sporting paths of the two clubs are well distinguishable.
99. Taking into consideration the foregoing, the Panel concludes that the Appellant and Liaoning FC do not share history and sporting achievements. Both these clubs followed different paths of development and this difference was well noted in the public domain. The potential overlap of their presence in China League One in the 2020 football season was based only on the sporting merit of the Appellant and cannot be regarded as Liaoning FC's replacement by the Appellant. Therefore, the Panel finds that these criteria of sporting succession have not been met.

ii. *Name*

100. The second criterion to be considered by the Panel is the name of the clubs in question.
101. In that regard, the Panel notes that since its establishment on 11 June 2015, the Appellant was named "Shenyang Urban FC". The process of changing its name started on 11 March 2020, when the shareholders of the Appellant passed a resolution approving such change by adding to the already existing name the word "Liaoning". The Panel therefore notes that, timewise, the commencement of this process preceded the disaffiliation of Liaoning FC which occurred over 2 months later, on 21 May 2020. After receiving approvals of the new name by the SFA and the LFA, on 25 December 2020 the Appellant filed an application for recognition of this new name at national level, i.e. by the CFA. The whole process was concluded on 8 January 2021, when the CFA approved the amended name of the Appellant.

102. The Panel additionally notes that in the years 2018-2021, the CFA conducted a process of neutralization of its affiliated clubs' names. It issued its first document in this respect on 20 November 2018 ("Notice of Meeting on the Financial Regulation and Supervision of Professional Clubs"), by means of which it required that by 30 June 2021, the full names of football clubs affiliated with the CFA should be construed as follows: geographical name + club's name + "Football Club" + legal form. On 14 December 2020, the CFA issued the "Notice on the Non-enterprise Change of Club Names in Professional Leagues at All Levels" in which it again required that the official name of all professional football clubs should be standardized according to the following scheme: "*Name of the administrative division + Club Name + Football Club (FC) + Enterprise organization form*".
103. The Panel remarks that the Appellant's application for the recognition of its name by the CFA was filed 11 days after issuance of the abovementioned Notice. Furthermore, the CFA's approval issued on 8 January 2021 states that:
- "[I]t is confirmed that 'Liaoning Shenyang Urban Football Club Co., Ltd.' that you submitted conforms to the requirements in Notice on the Non enterprise Change of Club Names in Professional Leagues at All Levels."*
104. The Panel is therefore satisfied that the process of changing the Appellant's name was conducted in compliance with the CFA's requirements. When analysing the Appellant's amended name (i.e. Liaoning Shenyang Urban FC), the Panel observes that this name follows the abovementioned scheme, with "Liaoning" representing the administrative division (province) and "Shenyang Urban" constituting the already-existing club's name bearing the name of the city, being this a well-known practice of football clubs worldwide.
105. The Panel acknowledges the Respondent's argument, whereby "Shenyang" already represented the name of the city in which the Appellant was located. However, the Panel is inclined to appreciate that "Shenyang Urban" represented the name of the Appellant's investor and that adding "Liaoning" to its current name was in line with the CFA's rules in this respect. Even assuming that this change would not be imperative due to the presence of the word "Shenyang" in the already-existing name of the Appellant, the Panel is satisfied that such change further enhanced its standardization and reflected the abovementioned scheme.
106. At the same time, the Panel does not share the view of the Respondent that by having the name change coincide with the entry of the Appellant to and the exit of Liaoning FC from China League One, an inevitable and deliberate impression of continuity was created. The Panel has already been established that these two events were entirely disconnected and independent from one another. While the Appellant was promoted to China League One on its sporting merit, Liaoning FC exited this competition due to a disciplinary decision concerning its disaffiliation. Adding to the foregoing the CFA's process of standardization of the clubs' names, the Panel is not of the opinion that such name change was executed to deliberately create an impression of continuity of these two clubs.

107. Lastly, the Panel acknowledges both Parties' arguments as to the number and the category of competition of other football clubs having the word "Liaoning" included in their names. Nevertheless, the Panel is of the opinion that the name of the geographical area (province) does not belong specifically to any football club. This is further supported by the fact that the full name of Liaoning FC was Liaoning Hongyun FC. "Liaoning" was therefore not the only distinguishing element of this club's name. Consequently, the Panel finds that the factor in question is not decisive when assessing whether one club is the sporting successor of another.
108. Therefore, the Panel concludes that the amended name of the Appellant does not sufficiently fulfil the criterion of sporting succession.
- iii. Team colours*
109. The Panel now turns to the analysis of the Appellant's team colours as a potential factor speaking in favour of sporting succession.
110. In this respect, the Panel acknowledges that the Appellant changed its team colours and jerseys during its sporting history. The Panel also observes that the new colours of the Appellant are very similar, if not identical, to the team colours of Liaoning FC.
111. However, what the Panel finds fundamental is the time frame in which such change of colours occurred. According to the evidence gathered in the present proceedings, the new colours of the Appellant were implemented already starting from the 2019 football season, and not, as the Respondent asserts, since the 2020 season. Therefore, the Panel is satisfied that the decision regarding the change of its team colours had to be taken in advance of the 2019 season. Consequently, such change of colours was implemented, let alone decided upon, over one year before the Appellant's promotion to the higher category of competitions and similarly over one year before Liaoning FC's disaffiliation. Even if at this point it had been known that Liaoning FC was in a financial situation leading possibly to its disaffiliation (there is, however, no evidence on file that could prove so), the Appellant's promotion to the higher league division one season later could not have been guaranteed.
112. It cannot therefore be inferred that the change of the Appellant's team colours was related to Liaoning FC's disaffiliation and was made with the purpose of inheriting the latter's position in Chinese football.
113. Only as a side note, the Panel remarks that the colours adopted by the Appellant starting from the 2019 season, despite being similar to the colours used by Liaoning FC, are commonly used by football clubs worldwide, including China. Furthermore, it was also explained to the Panel and this fact was not contradicted that the red colour is a popular colour in Chinese culture, symbolizing luck, joy, and happiness. It also represents celebration, vitality, and fertility in traditional Chinese colour symbolism. Therefore, it cannot be concluded that the Appellant started to use team colours that were particularly specific for or dedicated to Liaoning FC.

114. The Panel therefore is not satisfied that the change of the Appellant's team colours contributed to sporting succession between the latter and Liaoning FC.

*iv. Team logo*

115. As regards the logos of the clubs in question, the Panel observes that the main element of Liaoning FC's logo throughout its affiliation with the CFA was a tiger. Moreover, it used fundamentally the same logo since the 1999 football season. On the other hand, the Panel notes that the current design of the Appellant's logo, with the tiger being its predominant element, has been adopted already starting from the 2018 football season. Such change occurred therefore over two years before Liaoning FC's disaffiliation. Subsequently, following the change of its team colours, starting from the 2020 football season the Appellant's logo became mostly red. Nevertheless, its design remained essentially unchanged.

116. The Panel also remarks that despite both logos containing an image of a tiger in their final form, these logos were clearly distinguishable and followed a consistent, separate path of evolution.

117. Considering the foregoing, the Panel finds that the change of the Appellant's team logo in the 2018 football season could not be related to Liaoning FC's subsequent disaffiliation. Despite the tiger being a common element of the two logos in question, the Panel is satisfied that these logos were sufficiently distinguishable. Therefore, the Panel concludes that the criterion of the similar team logo has not been fulfilled in the case at hand.

*v. Players and staff*

118. The next criterion to be examined by the Panel is the roster of players. In this respect, the Panel observes that it remains essentially undisputed by the Parties – even after the hearing – that in the period between 28 June 2020 and 6 June 2021, a total of 28 players were transferred from Liaoning FC to the Appellant. However, the Parties seem to interpret differently the value of 28 players depending on the fact to which teams these players were connected to.

119. The evidence gathered in the present proceedings unanimously leads to the finding that out of these 28 players, only 3 joined the Appellant's first team. Two of them were coming from the U-19 team of Liaoning FC and one was transferred from the Club's senior team. The rest, i.e. 25 players, that moved to the Appellant were amateur players and joined the Appellant's youth academy. As a result, only three players transferred from Liaoning FC to the Appellant participated in China League One, in which the Appellant competed starting from the 2020 football season.

120. The Panel additionally notes that the three players that joined the Appellant's first team constituted only a portion of players transferred and registered in the 2020 football season (i.e. 3 out of 14). Only one senior player of Liaoning FC moved to the Appellant. At the same time, 25 youth players joining the Appellant accounted for roughly 1/6 of all amateur players leaving Liaoning FC after its disaffiliation.

121. The Panel finds the foregoing circumstances to be of great importance. Based on the evidence on file, it cannot be concluded that the Appellant took over the roster of players of Liaoning FC following its disaffiliation. At the same time, the players originating from Liaoning FC did not constitute a predominant part of all new Appellant's incomers. It is true that some movement between these two clubs occurred after Liaoning FC's disaffiliation. Nevertheless, such movement concerned mostly amateur players. The Panel is satisfied that it is well justified by the geographical proximity of the Appellant's and Liaoning FC's facilities, combined with similar level of training offered. Movement of young players that suddenly find themselves deregistered and with not club to the closest club within the same province, offering similar development opportunities seems to the Panel to be a natural choice.
122. The Panel also notes that the transfer of the players in question occurred after Liaoning FC's disaffiliation. Therefore, in order to continue their sporting careers, these players as free agents had no other choice but to find new employment and training base.
123. The Respondent asserts that the transfer of these 28 players (irrespective of their age and level of professionalization) led to creation of a great degree of commonality between the two clubs and somewhat links this transfer to the general perception it could have created. However, in view of the foregoing facts, the Panel finds it insufficient to conclude that the Appellant acquired the roster of Liaoning FC's players following its disaffiliation.
124. On a separate note, the Panel is satisfied that one staff member (i.e. the doctor) coming from Liaoning FC joined the Appellant as from 1 January 2020. The Panel thus observes that this movement occurred before Liaoning FC's disaffiliation. Nevertheless, the Panel finds that movement of one staff member cannot amount to fulfilling the criterion of sporting succession.
125. Taking into consideration the foregoing, the Panel concludes that this criterion has not been satisfied.

*vi. Management and ownership*

126. It results from the Investigatory Report and remains undisputed between the Parties that the management and ownership of the Appellant and Liaoning FC did not coincide throughout their existence. The Appellant's subsequent owners (Mr Fu Tinglin, Mr Wang Xi, Mr Yang Chuanguang and Shenyang City Construction College) have not been the owners of Liaoning FC. Similarly, the Appellant's managers (Mr Liu Yong, Mr Zhang Tao, Mr Liu Xiaoping and Mr Jia Hong) have not been the managers of Liaoning FC.
127. Therefore, the Panel finds that management and ownership of the two clubs do not speak in favour of sporting succession between them.

*vii. Sponsors*

128. Similarly, the Panel observes that there is no evidence on case file which would demonstrate any coincidence between the Appellant's and Liaoning FC's sponsors. Furthermore, no such coincidence is advanced by either Party. The Investigatory Report prepared in the FIFA DC proceedings equally did not consider the clubs' sponsors as an element revealing sporting succession between them.

129. The Panel thus shares this view and concludes that the criterion of common sponsors has not been met *in casu*.

*viii. Legal form, registered address, stadium*

130. Having duly acknowledged that the sporting entity transcends, in principle, the legal entity that operates it, the Panel nevertheless notes that the Appellant and Liaoning FC operate in different and separate legal forms. While the Appellant operates as a limited liability company, Liaoning FC is a joint stock limited company. Moreover, no legal succession has occurred between these entities. According to the case file, the legal entity that run Liaoning FC is still operative and was not subject to bankruptcy or insolvency proceedings. Therefore, the Panel is satisfied that these two legal entities function simultaneously.

131. The Panel further notes that the Appellant and Liaoning FC do not share their registered addresses. Despite both clubs were based in the Shenyang city, they have never been registered under the same address.

132. There is also no evidence on the case file to demonstrate that these two clubs shared training facilities or stadia.

133. As a result, the Panel finds that these criteria equally cannot speak in favour of sporting succession in the case at hand.

*ix. Website and social media*

134. The next criterion to be examined is the website and the social media used by the Appellant and Liaoning FC. In this respect, the Panel notes that the two clubs in question did not share the internet domain. While Liaoning FC's website was established at [www.liaoningfootball.com](http://www.liaoningfootball.com), the Appellant's website operates under the domain [www.lnsycsfc.com](http://www.lnsycsfc.com). Their respective social media are also established under different names.

135. Furthermore, and in connection with the findings of the analysis of the first three criteria, the Panel reiterates that it has not been sufficiently proven that the Appellant presents (through its website and social media accounts) the history, achievements, or trophies of Liaoning FC as its own. On the contrary, the Panel observes that on its website, the Appellant does not make any reference to the sporting achievements of Liaoning FC and consequently presents its independent development path:

*“In the 2015 season, Shenyang City Football Team won the fourth place in the National Amateur League finals and was qualified for the 2016 National League B. From the*

*2016 to 2018 seasons, the team continuously played in the China Football Association League B. After a few years of experience in the CFL B League, the team's performance has improved by leaps and bounds, leading the league standings and winning the CFA Cup 'Dark Horse Award' in 2018. [...]*

*In the 2019 CFA B League, with 25 victories and an outstanding record of 14 consecutive home wins, the team ranked the North Zone and succeeded in the first round ahead of schedule to qualify for the 2020 season of the Chinese League. In conducting the championship and runner-up finals, overpowered the opponent and won the total with two more shutouts. Achieved Shenyang professional soccer development from the amateur league to the Chinese League A three-step jump, ending the history of Shenyang for many years without a first-class professional team.” (Exhibit 15 to the Respondent’s Answer; similarly Exhibit 9 to the Appeal Brief).*

136. Therefore, the Panel is satisfied that the Appellant’s and Liaoning FC’s websites and social media accounts are distinct in terms of both the form and the content. As a consequence, the Panel finds that this criterion of sporting succession cannot be considered fulfilled.

x. *Public perception*

137. The Respondent’s argumentation regarding sporting succession between the Appellant and Liaoning FC revolves predominantly around public perception. According to the Respondent, the guiding principle behind all cases of sporting succession is the new club’s intention to be seen by the general public as the same original club that ceased its activities. In this respect, the Respondent asserts that the Appellant is clearly portraying itself as Liaoning FC in order to benefit from a pre-existing fan base and commercial value developed by the latter.

138. The Panel agrees, in principle, that each case of sporting succession should be examined individually and that the list of criteria determined in Article 15 para. 4 of the FIFA Disciplinary Code and the related CAS jurisprudence is non-exhaustive. It is also true that creation of a certain perception of the general public can play an important role in a given case. Such was, indeed, i.e. the finding of the CAS Award rendered in the case CAS 2021/A/8446. Nevertheless, public perception shall not be viewed in isolation from the identifiable and measurable criteria, the fulfilment of which, albeit in different possible configurations, can amount to sporting succession. On the contrary, the elements indicated in Article 15 para. 4 of the FIFA Disciplinary Code and developed in the respective CAS case law serve as useful tools in order to accurately and coherently identify cases of sporting succession. That was also the case in CAS 2021/A/8446, in which the new club’s deliberate creation of a public perception that it constitutes a sporting continuation of the old club was directly linked by the Sole Arbitrator with specific criteria fulfilled *in casu*, such as common history, sporting achievements and use of the same internet domain. The Panel therefore finds that while public perception should be duly considered when examining cases of sporting succession, it should not be examined *in abstracto*.

139. In the present case, the Panel does not find convincing evidence to conclude that the general public perceives the Appellant as the sporting successor of Liaoning FC. In that regard, the Respondent relies predominantly on two articles issued on the same day by the same media outlet. At the same time, the Panel observes lack of any other, independent references that could prove existence of such perception. Opinion of one media outlet cannot be seen as amounting to demonstration of the general public's view.
140. The Panel equally finds that such public perception cannot be derived from the flag ceremony that took place on 25 May 2020. It shall be noted that the flag ceremony was organized by the LFA and the LPSB – and not the Appellant itself. On the basis of the evidence gathered in the present proceedings, including witness statements, the Panel finds that such flag ceremony was held for political reasons and was aimed at promoting football in the province of Liaoning in general. This is further strengthened by the fact that a similar flag ceremony was organized also on 13 August 2021, where such flag was awarded to another football club.
141. Similarly, the evidence at the Panel's disposal leads to a conclusion that the video published by the Appellant on its social media on 23 May 2020 was meant to be a farewell towards recently disaffiliated Liaoning FC. Its publication itself does not suffice to conclude that the Appellant's intention was to be seen as the sporting successor of Liaoning FC.
142. To conclude, it has not been established in the present proceedings that the Appellant is seen by the general public as the sporting successor of Liaoning FC. Similarly, there is no sufficient evidence to assume that the Appellant deliberately created such public perception. On the contrary, as has been determined above, the Panel is satisfied that the Appellant publicly displays its own history, sporting achievements and trophies. The Respondent's allegations in this respect are insufficiently concrete and corroborated by respective evidence.
143. It has also not been proven that the Appellant in fact benefitted from a pre-existing fan base and commercial value developed by Liaoning FC. The Respondent did not submit any evidence that would demonstrate any increase in financial or sporting performance of the Appellant following Liaoning FC's disaffiliation. In addition, the Panel notes that there is no proof of the Appellant benefitting from Liaoning FC's relegation, since the former has promoted to the second division of Chinese league competitions based on its sporting merit only already before Liaoning FC's disaffiliation. The Panel noted the average home attendances for both clubs were provided in evidence, but that these did not demonstrate a migration of Liaoning FC's fan base to the Club following Liaoning FC's disaffiliation.
144. On the basis of the foregoing, the Panel finds that it has not been sufficiently established that there exists a public perception of the Appellant being the sporting successor of Liaoning FC.
145. Finally, also the witnesses confirmed that none of the elements of the sporting succession were fulfilled. According to the statement of the witness, Mr Wang Xiao, the promotion of the Appellant to China League One was based solely on sporting merit



and had nothing to do with the disaffiliation of Liaoning FC. Neither the LFA nor its members or employees ever considered the Appellant to be the sporting successor of Liaoning FC. Moreover, according to Mr Zhang Wehnan the LPSB had no intention to merge the sporting history of the Appellant and Liaoning FC. These two clubs had different paths of development, different origins, and sporting achievements. According to the witness, they were not associated with others by the authorities and by the fans. Ms Zhang Wei testified that the Appellant decided to change its colours starting from the 2019 season. The witness asserted that the colours of the Appellant did not belong to any particular football club and that these colours do not have any particular meaning. However, red colour is generally considered as the favourite colour of Chinese people, representing luck, liveliness and peacefulness. Finally, Mr Yu Shang claimed that 16 players moved from Liaoning FC to the Appellant after the former's disaffiliation. However, as far as he remembers none of them ended up in the Appellant's first team. To the best of his knowledge, none of his former teammates considered the Appellant to be continuing sporting activity of Liaoning FC.

## IX. CONCLUSION

146. While the Investigatory Report forming basis of the Appealed Decision identified 6 elements speaking in favour of sporting succession against 10 elements speaking against it, the Appealed Decision has reduced its analysis in this respect to only 4 criteria. The greatest value has been attached to the public perception of the Appellant as the sporting successor of Liaoning FC. The Panel shares, however, the view of the Appellant that none of the conditions set forth in the Appealed Decision have in fact been fulfilled in this case.
147. As was stated in paras. 87 and 88 of the FIFA Decision “87. *In these circumstances, the CAS has held that a “new” club has to be considered as the “sporting successor” of another one in a situation where (i) the “new” club created the impression that it wanted to be legally bound by the obligations of its predecessor (i.d. the “old” club), (ii) the new club took over the license or federative rights from the “old” club and (iii) the competent federation treated the two clubs as successors of one another. 88. By the same token, a “sporting succession” is the result of the fact that (i) a new entity was set up with the specific purpose of continuing the exact same activities as the old entity, (ii) the “new” club accepted certain liabilities of the “old” club, (iii) after the acquisition of the assets of the “old” club, the “new” club remained in the same city and (iv) the “new” club took over the license or federative rights from the “old” club”.*
148. Taking into consideration all the above-mentioned elements and circumstances, the Panel finds that the Appellant is not the sporting successor of Liaoning FC.
149. As a result of the foregoing, the Panel finds that the appeal of the Appellant shall be upheld in its entirety.
150. All other requests and prayers for relief are dismissed.

**X. COSTS**

151. Article R64 para. 4 of the CAS Code provides in its relevant part that:

*“At the end of the proceedings, the CAS Court Office shall determine the final amount of the cost of 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.”*

152. Article R64 para. 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.”*

153. In light of the outcome of the present proceedings, in particular of the fact that the appeal was upheld in its entirety, the Panel considers that the costs of this arbitration, to be determined by the CAS Court Office and communicated separately to the Parties, shall be borne entirely by the Respondent.

154. Furthermore, the Panel considers that the Respondent shall pay a total amount of CHF 5,000 (five thousand Swiss francs) to the Appellant as the contribution towards the expenses incurred in connection with these arbitration proceedings.

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**ON THESE GROUNDS**

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

1. The appeal filed on 20 January 2023 by Liaoning Shenyang Urban FC against the decision rendered on 3 November 2022 by the FIFA Disciplinary Committee in the case ref. no. FDD-11332 is upheld.
2. The decision rendered on 3 November 2022 by the FIFA Disciplinary Committee in the case ref. no. FDD-11332 is set aside.
3. The costs of the arbitration, to be determined and served to the parties by the CAS Court Office, shall be borne by Fédération Internationale de Football Association (FIFA).
4. Fédération Internationale de Football Association (FIFA) is ordered to pay Liaoning Shenyang Urban FC a total amount of CHF 5.000 (five thousand Swiss francs) as contribution towards its legal fees and other expenses incurred in connection with these arbitration proceedings.
5. All other and further motions or prayers for relief are dismissed.

Seat of arbitration: Lausanne, Switzerland  
Date: 3 October 2023

**THE COURT OF ARBITRATION FOR SPORT**

Jacopo Tognon  
President of the Panel

Efraim Barak  
Arbitrator

Mark Andrew Hovell  
Arbitrator