

Decision of the Dispute Resolution Chamber

passed on 11 October 2023

regarding an employment-related dispute concerning
the player Pedro Filipe Moreira Barbosa

BY:

Philippe DIALLO (France)

CLAIMANT:

Pedro Filipe Moreira Barbosa, Portugal

RESPONDENT:

Riga FC, Latvia

I. Facts of the case

1. On 31 July 2020, the Portuguese player, Pedro Filipe Moreira Barbosa, and the Latvian club, Riga FC, concluded an employment contract valid as from 1 August 2020 until 31 July 2022.
2. According to clause 4.1 and 4.2 of the contract, the player was entitled to EUR 10,000 net per month, as well as the following “advance money”:
 - EUR 10,000 net before 31.08.2020;
 - EUR 50,000 net before 30.9.2020;
 - EUR 60,000 net before 30.09.2021.
3. On 22 January 2021, the parties concluded a mutual termination agreement.
4. The termination agreement stipulated the following:
 1. *The contract was terminated by mutual consent of the parties.*
 2. *The contract shall be considered terminated on 22 January 2021 .*
 3. *Upon, signing this termination agreement the Football player agrees to have no rights to raise any financial or other claims to the Club.”*
5. On 29 March 2023, the Latvian Tax Authority issued a decision with, *inter alia*, the following contents:

“On 4 October 2021, the Head of the Debt Payment Facilitation Division of the State Revenue Service (hereinafter referred to as the SRS), Parastas and Other Payment Recovery Division, issued Decision No 31.4-17.18.2/17.18.2/96149 on the recovery from PEDRO BARBOSA MOREIRA of the overdue debt of EUR 7740,06

(...)

Consequently, the recovery of late-payment fines has continued even after the main order of 4 October 2021

(...)

Consequently, since the decision of 4 October 2021, PEDRO BARBOSA MOREIRA has accrued arrears of EUR 1413,34.”
6. On 11 May 2023, 19 May 2023 and 22 May 2023, the player sent default letters to the club, requesting the payment of EUR 1,413.34 in accordance with the decision of the Latvian Tax Authority.

II. Proceedings before FIFA

7. On 28 July 2023, the player lodged a claim before the FIFA Football Tribunal for tax reimbursement, arguing that “Latvian authorities are claiming, the sum of EUR 1,413.34 from the player”. Therefore, the player requested the payment of EUR 1,413.35 as overdue payables, plus 5% interest p.a. as from the due dates.
8. According to the player, all the fiscal and tax are the responsibility of the club.
9. In its reply, the Respondent considered that the Claimant failed to substantiate that the Respondent should be responsible for the claimed amount, which is not a tax, but a penalty for the late payment. The Respondent considered that the Claimant provided no legal grounds explaining why, in his opinion, should the Respondent be responsible for the Claimant’s carelessness and lack of diligence.
10. The Respondent also considered that the player failed to demonstrate that payment of the claimed “taxes on income and wealth” (which was an additional tax payable upon the end of the fiscal period on the basis of an consolidated income amount and respective tax declaration that had to be filed by the Claimant) was the duty of the Respondent and that the Claimant had no other income in the year 2020, which was subject to taxes.
11. The Claimant also argued that the decision of the Latvian Tax Authority, as provided by the Claimant, is not correctly translated.

III. Considerations of the Dispute Resolution Chamber

a. Competence and applicable legal framework

1. First of all, the Single Judge of the Dispute Resolution Chamber (hereinafter also referred to as *the Judge* or *Single Judge*) analysed whether it was competent to deal with the case at hand. In this respect, it took note that the present matter was presented to FIFA on 15 February 2023 and submitted for decision on 11 October 2023. Taking into account the wording of art. 34 of the October 2022 edition of the Procedural Rules Governing the Football Tribunal (hereinafter: *the Procedural Rules*), the aforementioned edition of the Procedural Rules is applicable to the matter at hand.
2. Subsequently, the Single Judge referred to art. 2 par. 1 of the Procedural Rules and observed that in accordance with art. 23 par. 1 in combination with art. 22 lit. b) of the Regulations on the Status and Transfer of Players (October 2022 edition), the Dispute Resolution Chamber is competent to deal with the matter at stake, which concerns an employment-related dispute with an international dimension between a Portuguese player and a Latvian club.
3. Subsequently, the Single Judge analysed which regulations should be applicable as to the substance of the matter. In this respect, it confirmed that, in accordance with art. 26 par. 1 and 2 of the Regulations on the Status and Transfer of Players (May 2023 edition), and considering that the present claim was lodged on 28 July 2023, the May 2023 edition of said regulations (hereinafter: *the Regulations*) is applicable to the matter at hand as to the substance.

b. Burden of proof

4. The Single Judge recalled the basic principle of burden of proof, as stipulated in art. 13 par. 5 of the Procedural Rules, according to which a party claiming a right on the basis of an alleged fact shall carry the respective burden of proof. Likewise, the Single Judge stressed the wording of art. 13 par. 4 of the Procedural Rules, pursuant to which it may consider evidence not filed by the parties, including without limitation the evidence generated by or within the Transfer Matching System (TMS).

c. Merits of the dispute

5. His competence and the applicable regulations having been established, the Single Judge entered into the merits of the dispute. In this respect, the Single Judge started by acknowledging all the above-mentioned facts as well as the arguments and the

documentation on file. However, the Judge emphasised that in the following considerations it will refer only to the facts, arguments and documentary evidence, which he considered pertinent for the assessment of the matter at hand.

i. Main legal discussion and considerations

6. The foregoing having been established, the Judge moved to the substance of the matter, and took note that the present claim concerns outstanding payments allegedly arising from a decision from the tax authority of Latvia.
7. Indeed, from the information on file, the Judge observed that on 29 March 2023, the Latvian Tax Authority imposed a penalty for the late payment of taxes during the year 2021, in the amount of EUR 1,413.34.
8. In this respect, the Judge noted that, in the opinion of the Claimant, the club should reimburse this amount insofar his salary was payable as “net”.
9. However, on this note, the Judge understood that the fact that a salary is payable in “net” does not mean that the club will cover the player’s entire tax liabilities in his country of residence at that time (Latvia), as it only means that the club will perform the relevant payments by considering the applicable the withholding tax. Indeed, the Judge wished to underline that a player may be subject to other taxable income (for instance, if he earns revenue from other sources or is the owner of securities, real estate, etc.). The liability for said income belongs to the player, in any case.
10. In addition, the Judge, after duly analyzing the information and documentation on file and observed that the player failed to prove with evidence that the penalty imposed by the Latvian Tax Authority was a consequence of the club not covering the withholding tax (by, for instance, presenting a payment slip).
11. Therefore, the Judge concluded that he is not in possession of documentary evidence that would make him to attribute the payment of the penalty imposed by the Latvian Tax Authority. Indeed, the Judge pointed out that there is no contractual basis nor evidence to prove that the penalty imposed by the Latvian Tax Authority was cause by the club’s actions or omissions.
12. For the sake of completeness the Judge also observed that the mutual termination agreement concluded between the parties stipulated the following:
“the Football player agrees to have no rights to raise any financial or other claims to the Club.”
13. As a result, the Judge concluded that the claim of the player can only be rejected.

d. Costs

14. The Single Judge referred to art. 25 par. 1 of the Procedural Rules, according to which *“Procedures are free of charge where at least one of the parties is a player, coach, football agent, or match agent”*. Accordingly, the Single Judge decided that no procedural costs were to be imposed on the parties.
15. Likewise, and for the sake of completeness, the Single Judge recalled the contents of art. 25 par. 8 of the Procedural Rules, and decided that no procedural compensation shall be awarded in these proceedings.
16. Lastly, the DRC concluded its deliberations by rejecting any other requests for relief made by any of the parties.

IV. Decision of the Dispute Resolution Chamber

1. The claim of the Claimant, Pedro Filipe Moreira Barbosa, is rejected.
2. This decision is rendered without costs.

For the Football Tribunal:



Emilio García Silvero

Chief Legal & Compliance Officer

NOTE RELATED TO THE APPEAL PROCEDURE:

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

NOTE RELATED TO THE PUBLICATION:

FIFA may publish this decision. For reasons of confidentiality, FIFA may decide, at the request of a party within five days of the notification of the motivated decision, to publish an anonymised or a redacted version (cf. article 17 of the Procedural Rules Governing the Football Tribunal).

CONTACT INFORMATION

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