Decision of the Single Judge of the Players' Status Committee

passed on 14 February 2020,

by

Roy Vermeer (the Netherlands)

Single Judge of the Players' Status Committee,

on the claim presented by the coach

Gregorio Manzano Ballesteros, Spain
represented by Mr Iñigo de Lacalle & Mr Ignacio Triguero Gea

as "*Claimant / Counter-Respondent*"

against the club

Guizhou Hengfeng FC, China PR
represented by Mr Bing Zhang & Mr Yu Zhuang

as "*Respondent / Counter-Claimant*"

regarding an employment related dispute between the parties

I. Facts of the case

1. On 28 April 2017, the Spanish coach, Gregorio Manzano Ballesteros (hereinafter: *"Claimant / Counter-Respondent"* or *"coach"*), and the Chinese club, Guizhou Hengfeng FC (hereinafter: "*Respondent / Counter-Claimant"* or *"club"*) signed an *"initial contract"* (hereinafter: *1st contract*), valid as from 1 May 2017 until 31 December 2017. Under the 1st contract, the coach was *inter alia* entitled to a monthly salary of EUR 455,175 *"net of Chinese taxes to be paid within the last five business days of each month"*.

2. By means of Article 5.2.1 of the 1st contract, the coach was entitled to EUR 1,760,000 *"(net of Chinese taxes* […]*) in case the Team maintains its current status at the Chinese Superleague at the end of the 2017 season* […]. *Such payment would be paid* [by the club to the coach] *no later than December 31, 2017."*

3. Article 5.5 of the 1st contract stipulated the following: *"The amounts to be paid under the present contract are net of taxes* […] *and withholding tax. Therefore,* [the club] *will be responsible for any tax liability derived from the payments to made to* [the coach] *pursuant to this contract.* [The club] *would have to make the corresponding gross up in order to pay* [the coach] *the net amount agreed.* [The club] *will provide each year (between January 1st and February 28th) with to* [the coach] *the tax certificates as well as the tax withholding certificates in order to comply with its tax obligations before the tax authorities."*

4. On 23 November 2017, the parties signed an employment contract (hereinafter: *2nd contract*) valid as from 1 January 2018 until 31 December 2018.

5. According to Article 2.2 of the 2nd contract, the club *"will assist* [the coach] *for obtaining respective China visas and work permits for* [the coach] *and assistants* […]*".*

6. In accordance with the Article 5.1 of the 2nd contract, the coach was *inter alia* entitled to the amount of EUR 4,950,000 *"net of taxes"* corresponding to the following:
   a) EUR 1,500,000, as *"signing on fee before 15 April 2018"*;
   b) 12 monthly instalments of EUR 2875,500 each *"to be paid within the last five business days of each month"*.

7. Pursuant to Article 5.2.9 of the 2nd contract, the coach *"shall be entitled to receive 90.000 Yuans for each victory in an official game* […] *Said bonuses are to be paid net and within 15 days from the respective game."*

8. Article 5.5 of the 2nd contract stipulated the following: *"The amounts to be paid under the present contract are net of taxes* […] *and withholding tax. Therefore,* [the club] *will be responsible for any tax liability derived from the payments to made to* [the coach] *pursuant to this contract.* [The club] *would have to make the corresponding gross up in order to pay* [the coach] *the net amount agreed.* [The club] *will between January 1st and February 28th 2018 with to* [the coach] *the tax certificates as well as the tax withholding certificates in order to comply with its tax obligations before the tax authorities."*

9. In accordance with Article 6.2 of the 2nd contract, the club *"shall provide* [the coach] *with 30.000 Yuans monthly accommodation fee and 15.000 Yuans monthly accommodation fee for each of his assistants during the length of the contract".*

10. According to Article 7.1 of the 2nd contract, the coach *"must fulfill the following obligations:*
    - *Observe all laws and regulations of* [China]*;*
    - *Observe all regulations, rules and statutes of* [FIFA], *China Football Association Super League Committee and China Football Association Super League Match."*

11. By means of Article 9 of the 2nd contract, if the club or the coach *"cancel (terminates) this contract prematurely without just cause, or of* [the coach] *terminates this contract prematurely but with just cause* […]*, pursuant to Article 17 of* [the FIFA RSTP] *the fulfilling party will be entitled to terminate the contract with a just cause reason and request the breaching the party the amount of all the salaries and bonuses* […] *pending at the date of termination until 31 of December 2018 in accordance with Article 5. The amount to be paid resulting from the anticipated termination shall be paid taken into consideration the tax residence of* [the coach] *in 2018."*

12. In accordance with Article 10.2 of the 2nd contract, *"in case no settlement can be reached through consultation and due to the international nature of the present contract, any disputes related to the contract should be submitted in first instance to* [the FIFA PSC] *and in appeal to* [the CAS]. *Both parties expressly renounce the submission of any dispute to any other body different form FIFA and the CAS."*

13. On 5 June 2018, the club informed the coach in writing that it terminated the employment contract with immediate effect. In said letter, the club further held that it was *"disappointed for the sporting results"*, asking the coach to *"consider the opportunity to find an amicable solution in order to negotiate the economic terms of the termination of our employment relationship"*.

14. On 12 June 2018, the coach *inter alia* requested the following in writing from the club:
    a) Payment of taxes corresponding to:
        i) December 2017 salary;
        ii) Bonus for maintaining the category at the Chinese Superleague;
        iii) Monthly salaries corresponding to January, February, March, April and May 2018, as well as 5 days of June 2018;
        iv) The additional amounts corresponding to April 2018 *"and which amounts to EUR 1,500,000 net"*;
        v) The *"certificate of the payment of the taxes regarding said amounts"*.
    b) Payment of the following outstanding amounts:
        i) Salary of May 2018 and 5 days of June 2018;
        ii) The payment corresponding to April 2018 *"and which amounts to EUR 1,500,000 net"*;
        iii) Chinese Yuan (CNY) 90,000 *"for the victory against Harbin"*.
    c) Accommodation corresponding to the months of January, February, May and June 2018.

15. On 13 June 2018, the coach published a piece on his personal website in which he *inter alia* wrote that *"we could not finish the season as we would have liked* […] *The reasons are always the results, but also inevitable circumstances have happened so that we have not been able to enjoy our work as we had planned* […] *In these cases the same thing always happens, the consequences are always paid by the coaches that are the cause, in this case, of all the errors of the club* […] *A modest and humble club of the Chinese Super League in their media."*

Claim of the coach

16. On 2 July 2018 the coach lodged claim against the club for breach of contract in front of FIFA, requesting the following:
    a) *"Ordering* [the club] *to pay all the taxes corresponding to:*
        i) *The salary corresponding to December 2017 under the* [1st contract]*;*
        ii) *The bonus for maintaining the category at the Chinese Superleague corresponding to last season under the* [1st contract]*;*
        iii) *The salaries of January, February, March and April 2018;*
        iv) *As well as to provide* [the coach] *with the corresponding tax withholding certificates corresponding to said amounts and with a tax residence certificate.*
    b) *Ordering* [the club] *to pay the following outstanding salaries broken down as follows":*
        i) EUR 1,500,000 *"net"* as signing fee, plus 5% interest *p.a.* as from 16 April 2018 until the date of effective payment;
        ii) EUR 335,416.66 *"net"* corresponding to the entire May 2018 salary, as well as 5 days of the June 2018 salary, plus 5% interest *p.a.* as from 6 June 2018 until the date of effective payment;
        iii) Chinese Yuan (CNY) 155,000 corresponding to the accommodations costs borne by the coach, plus 5% interest *p.a.* as from *"the due dates"* until the date of effective payment;
        iv) CNY 8,000 corresponding to the visa costs borne by the coach, plus 5% interest *p.a.* as from *"the due dates"* until the date of effective payment;
        v) CNY 90,000 *"corresponding to the coach for the victory against Heilongjiang Lava Spring FC (Cup Match)",* plus 5% interest *p.a.* as from *"the due dates"* until the date of effective payment.
    c) EUR 1,965,583.33 *"net"* as compensation for breach of contract plus 5% interest *p.a.* as from 6 June 2018 until the date of effective payment;
    d) *"Ordering* [the club] *to pay all the taxes corresponding to the agreed outstanding and compensation, as well as to provide* [the coach] *with the corresponding tax withholding certificates corresponding to said amounts;*
    e) That the club pay all the legal and procedural costs.

17. In his claim, the coach explained that the club rejected his request of 12 June 2018. Consequently, the coach lodged a claim in front of FIFA for termination of contract without just cause, requesting outstanding remuneration and compensation.

18. According to the coach, as per clause 5.5 of the contract, the club *"would be obliged to pay the remuneration net of taxes and therefore, the club pay the taxes in China and provide* the coach with the corresponding certificates that said amounts have been paid". Thus, as per the coach, *"the club will be obliged to make the gross-up of all the amounts stipulated herein, taking into consideration the relevant tax rate of* [China] *for the fiscal year 2018", i.e.* 45%.

19. Therefore, as per the coach, the amounts to be paid by the club corresponding to outstanding remuneration and compensation would be *"EUR 5,510,000 gross (EUR 3,800,000 / 45%)".*

Claim of the club

20. On 5 July 2019, in parallel, the club lodged a claim against the coach in front of FIFA, requesting EUR 2,000,000, plus 5% interest *p.a.* as from 5 July 2019 until the date of effective payment.

21. In addition, the club requested that the coach pay all the procedural costs.

22. In its claim, the club argued that, by means of his publication, the coach had *"generated damages to the Club, the* [Chinese FA]*, to the Chinese Super League and the entire world of football in China"*.

23. Consequently, the club held that the coach breached article 7.1 of the 2nd contract and that he therefore liable to pay *"almost the remaining amount of the contract (the salaries due till 31 December 2018) is considered a fair compensation for the breach which equals EUR 2,000,000".*

The club's reply to the coach's claim

24. In its reply to the coach's claim, the club stated that FIFA lacked jurisdiction to deal with the matter, arguing that the coach's claim should be declared inadmissible.

25. In this context, the club referred to clause 7 of the 2nd contract and held that the parties *"explicitly agreed to observe all regulations, rules, and statutes of the Chinese Football Association (CFA)".* Thus, as per the club, *"the Chinese national football legal body is constituted according to the FIFA requirements of "existence of an independent arbitration tribunal" and "guaranteeing fair proceedings" and, therefore, the CFA Arbitration Commission has the jurisdiction in the case at stake and not the FIFA PSC".*

26. In continuation, the club again referred to clause 7 of the 2nd contract and held that Chinese law is the applicable law to the matter at hand. In this regard, the club argued that *"despite the fact that article 10 of the* [contract] *contains reference to Swiss law and FIFA Regulations, Chinese law is mandatorily applicable on foreign employees in China"*.

27. In light of the above, as per the club, *"independently from the body which will have jurisdiction on the case (the FIFA PSC or the CFA Arbitration Commission) and despite the contractual provisions agreed among the Parties, the above*

recalled Chinese law is mandatory and it must be applied in the decision of the case at stake".

28. With regards to the substance of the coach's claim, in particular his request for compensation for breach of contract, the club firstly highlighted that, contrary to the stipulated in clause 9 of the 2nd contract, Art. 17 FIFA RSTP does not apply to cases involving coaches. Instead, as per the club, any compensation should be calculated in accordance with Chinese Labour Law, resulting in a compensation of *"no more than EUR 862,500"*.

29. In continuation, the club stated that, as per Chinese Labour Law, *"if the monthly salary of a worker is three times the average monthly salary of the workers of the region for the previous year,* […] *the rate for his financial compensation payable shall be three times the average monthly salary of the workers"*.

30. With regard to the coach's request for outstanding remuneration, the club *"will not hesitate to pay this claimed amount at the end of this procedure in case the FIFA PSC shall decide in that sense"*.

31. As regards the coach's request of EUR 1,500,000 corresponding to the sign-on fee, the club held that *"this amount is just a part of the entire remuneration foreseen in the employment agreement and spread across the length of the contract"*.

32. Regarding the coach's request for CNY 155,000 corresponding to accommodation expenses, the club maintained the coach did not provide any evidence. Having said this, the club argued that it covered the coach's stay at the *"Hyatt Hotel"*, but that the coach himself preferred to go to another hotel.

33. In continuation, the club referred to the coach's request of CNY 8,000 corresponding to the visa costs, and held that art. 2.2 of the contract does not specify that the club pays or refunds the visa costs.

34. With reference to the coach's request for alleged outstanding bonus, the club held that the contract only referred to matches of regular championship and not the cup.

35. Finally, with regard to the coach's request that the club provide him with *"the corresponding tax withholding certificates"*, the club stated that "*it will not hesitate to produce all the corresponding tax withholding certificates their employment contract as soon as it will receive them from the Chinese Tax Authority. The Coach's request on this point refers to payments concerning the 2018 year, which are not ready to be delivered to the employer yet, therefore the Club is absolutely on time for receiving the Tax certificates from the local authorities."*

The coach's replica and reply to the club's claim

36. In reply to the club's claim, the coach underlined that the club lodged the claim based on an alleged breach of Article 7.1 of the 2nd contract, after the club itself had terminated that same contract *"without just cause"* eight days prior. Furthermore, as per the coach, the club's claim *"seems to be totally random and lacks the necessary evidence"*.

37. In his replica, the coach firstly held that clause 7 of the 2nd contract did not provide for a choice of law in favour of Chinese Law. In this regard, the coach pointed out that in accordance with PSC and DRC jurisprudence, FIFA's regulations prevail over any national law.

38. In continuation, the coach referred to clause 9 of the 2nd contract, and maintained that said clause is applicable to the matter at hand, given that it is reciprocal and proportionate. Therefore, as per the coach, the application of Chinese law to calculate the amount of compensation is unfounded.

39. The the coach further noted that in its reply, the club confirmed that the payment of the amounts due to the coach *"must be paid in net term"*. As such, the coach reiterated that it requested outstanding remuneration and compensation in total amount of *"EUR 3,800,000 net and that the club provides* […] *the corresponding certificates"*.

The club's duplica

40. In its duplica, the club firstly held that in his replica, the coach did not insist in obtaining the alleged CNY 155,000 corresponding to accommodation expenses. Therefore, as per the club, the coach waived this amount.

41. With regard to the coach's request that net amounts need to be paid to him and tax needs to be paid to the Chinese authorities, the club underlined that, in line with its jurisprudence, FIFA does not have competence to decide on such issues.

42. According to the club, since the coach did not demonstrate whether he was a resident in China or elsewhere for the year 2018, he cannot *"request to receive a gross—up amount of an additional 45%"*.

II. Considerations of the Single Judge of the Players' Status Committee

1. First of all, the Single Judge of the Players' Status Committee (hereinafter also referred to as: *the Single Judge*) analysed whether he was competent to deal with the case at hand. In this respect, he took note that the present matter was submitted to FIFA by the coach on 2 July 2018, whereas the club lodged the claim against the coach on 5 July 2018. Furthermore, the Single Judge noted that the matter was submitted for decision on 14 February 2020. Taking into account the wording of art. 21 of the 2019 edition of the Rules Governing the Procedures of the Players' Status Committee and the Dispute Resolution Chamber (hereinafter: *the Procedural Rules*), the aforementioned edition of the Procedural Rules is applicable to the matter at hand.

2. Subsequently, the Single Judge referred to art. 3 par. 1 and 2 of the Procedural Rules and confirmed that in accordance with art. 23 par. 1 and 4 in combination with art. 22 lit. c) of the 2020 edition of the Regulations on the Status and Transfer of Players, he is, in principle, competent to deal with a matter which concerns an employment-

related dispute of an international dimension between a Spanish coach and a Chinese club.

3. Having said this, the Single Judge acknowledged that the club contested the competence of FIFA's deciding bodies on the basis of Article 7.1 of the 2nd contract. Moreover, the Single Judge noted that the club maintained that the parties agreed on Chinese law as the choice of law.

4. In this regard, the Single Judge recalled that the club itself had lodged a claim against the coach on 5 July 2018. Consequently, the Single Judge concluded that by lodging a claim against the coach in front of FIFA, the club had automatically acknowledged its competence.

5. Furthermore, the Single Judge underlined that pursuant Article 10.2 of the 2nd contract, *"due to the international nature of the present contract, any disputes related to the contract should be submitted in first instance to* [the FIFA PSC]*"*. In other words, the Single Judge interpreted Article 10.2 of the 2nd contract as a clear jurisdiction clause in favour of FIFA.

6. Given all of the above, the Single Judge determined that he is competent to deal with the matter at hand.

7. In continuation, the Single Judge analysed which edition of the Regulations on the Status and Transfer of Players should be applicable to the matter at hand. In this respect, he referred, on the one hand, to art. 26 par. 1 and 2 of the 2020 edition of the Regulations on the Status and Transfer of Players, and on the other hand, to the fact that the present claim was lodged with FIFA on 2 July 2018. In view of the foregoing, the Single Judge concluded that the June 2018 edition of the Regulations on the Status and Transfer of Players (hereinafter: *the Regulations*) is applicable to the case at hand (cf. art. 26 par. 1 and 2 of the Regulations).

8. His competence and the applicable regulations having been established, and entering into the substance of the matter, the Single Judge started his analysis by acknowledging the facts of the case and the arguments of the parties as well as the documents contained in the file. However, the Single Judge emphasized 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.

9. In this respect, the Single Judge acknowledged that the coach and the club had concluded the 1st employment contract valid as from 1 May 2017 until 31 December 2017, as well as the 2nd employment contract valid as from 1 January 2018 until 31 December 2018.

10. Moreover, the Single Judge noted that the club unilaterally terminated the contract on 5 June 2018, informing the coach that it was *"disappointed for the sporting results"*.

11. In continuation, the Single Judge took into account that the coach lodged a claim against the club holding, *inter alia,* that the club had terminated the employment contract without just cause.

12. Similarly, the Single Judge recalled that the club had lodged a claim against the coach, because the coach had allegedly generated damages to the club by means of a publication dated 13 June 2018.

13. In light of the above, the understood Single Judge that the primary issue at stake is determining whether the club had a just cause to terminate the employment contract.

14. However, and prior to determining whether the contract was terminated by the club with or without just cause, the Single Judge noted the club's claim against the coach was solely based on the alleged damages caused by the coach's publication of 13 June 2018, *i.e.* eight days after the club itself had terminated the contract.

15. In other words, as per the Single Judge, the coach's publication cannot be considered a breach of contract committed by the coach, given that on the date of publication, there was no valid employment contract between the club and the coach. Furthermore, the Single Judge was eager to point out that the club failed to provide any evidence whatsoever demonstrating that the coach had caused damages to the club by means of his publication.

16. As a consequence, the Single Judge decided to reject the club's claim against the coach in its entirety.

17. In continuation, and with regard as to whether the club had terminated the contract with or without just cause, the Single Judge observed that, from the evidence on file, there are no indications that the coach had breached its contractual obligations in anyway. Furthermore, Single Judge referred to the PSC's well-established jurisprudence, and recalled that disappointing sporting results alone can never be considered as a just cause to terminate the employment contract.

18. Consequently, the Single Judge concluded that the club had terminated the employment contract on 5 June 2018 without just cause.

19. Nevertheless, before entering the analysis of the consequences of the unjust termination of contract on the part of the club, the Single Judge deemed it appropriate to first assess whether any outstanding remuneration was still due by the club to the coach.

20. In this light, the Single Judge recalled that the coach had *inter alia* made the following requests for outstanding remuneration:
    a) The sign-on fee in the amount of EUR 1,500,000 due by 15 April 2018;
    b) The May 2018 salary in the amount of EUR 287,500;
    c) Accommodation costs in the amount of CNY 155,000;
    d) Visa costs in the amount of CNY 8,000;
    e) Match bonus in the amount of CNY 90,000.

21. Firstly, with regard to the sign-on fee in the amount of EUR 1,500,000, the Single Judge educed that the club did not dispute that the amount had not been paid, but stated that *"this amount is just a part of the entire remuneration foreseen in the employment agreement and spread across the length of the contract"* (*cf.* point I.31).

22. Referring to said allegation made by the club, the Single Judge took into consideration that, as per Article 5.1 of the 2nd contract, the sign-on fee in the amount of EUR 1,500,000 was due *"before 15 April 2018"*. In other words, there is no contractual basis with regard to the club's allegation that this amount is *"spread across the length of the contract"*. As such, the Single Judge considered that the amount of EUR 1,500,000 corresponding to the sign-on fee is still due to the coach.

23. Secondly, regarding the alleged outstanding May 2018 salary in the amount of EUR 287,500, the Single Judge took into consideration that, in its reply to the coach's claim, the club did not dispute that this amount was still due to the coach. Consequently, the Single Judge decided to award the outstanding May 2018 salary in the amount of EUR 287,500 to the coach.

24. Thirdly, the Single Judge turned to the coach's request for accommodation costs in the amount of CNY 155,000. In this regard, the Single Judge took into account the club's position that it covered the coach's stay at the *"Hyatt Hotel"*, but that the coach himself preferred to go to another hotel (*cf.* point I.32). Having said this, the Single Judge noted that, in his replica, the coach had not addressed the club's position regarding the alleged outstanding accommodation costs. In other words, as per the Single Judge, the coach did not contest that the club had, in fact, covered his stay at the *"Hyatt Hotel"*. Therefore, the Single Judge determined that the requested amount of CNY 155,000 corresponding to accommodation costs is not due to the coach.

25. Fourthly, with respect to the alleged outstanding visa costs in the amount of CNY 8,000, the Single Judge recalled that, as per Article 2.2 of the 2nd contract, the club *"will assist* [the coach] *for obtaining respective China visas and work permits for* [the coach] *and assistants* […]*"*. From said contractual clause, the Single Judge understood that the club merely had the obligation to *"assist"* the coach in obtaining a visa. In other words, according to the Single Judge, there is no clear contractual obligation for the club to cover the coach's visa costs. As a result, the Single Judge decided to reject the coach's request for the amount of CNY 8,000 corresponding to visa costs.

26. Fifth and finally, the Single turned to the coach's request for outstanding remuneration in the amount of CNY 90,000 corresponding to match bonus. In this light, the Single Judge noted that the coach failed to provide any evidence which could demonstrate that this amount is still due to the coach. Thus, the Single Judge concluded that the coach had not fully substantiated his claim with pertinent documentary evidence in accordance with art. 12 par. 3 of the Procedural Rules. That is, there is no supporting documentation relating to the coach's claim pertaining to outstanding bonuses. Consequently, the Single Judge decided to reject this part of the coach's claim.

27. In light of the above, the Single Judge concluded that the total amount of EUR 1,787,500 corresponding to the signing fee and the May 2018 salary, is still outstanding to the coach. Therefore, the Single Judge decided that, in accordance with the general legal principle of *"pacta sunt servanda",* the club is liable to pay the total amount of EUR 1,787,500 to the coach.

28. In addition and taking into consideration the Claimant's request, the Single Judge decided that the Respondent must pay to the Claimant interest of 5% *p.a.* on the amount of EUR 1,787,500 as from the respective due dates until the effective date of payment.

29. Having established the aforementioned, the Single Judge turned his attention to the compensation payable by the club to the coach following the termination without just cause by the former.

30. In this respect, the Single Judge held that it first of all had to clarify whether the pertinent employment contract contained any clause, by means of which the parties had beforehand agreed upon a compensation payable by the contractual parties in the event of breach of contract.

31. Having said this, the Single Judge firstly acknowledged that according to the club any compensation is to be calculated in accordance with Chinese labour law (*cf.* I.27).

32. However, the Single Judge also noted that pursuant to Article 9 of the 2nd contract, if the club or the coach terminates the contract without just cause, *"pursuant to Article 17 of* [the FIFA RSTP] *the fulfilling party will be entitled to* […] *request the breaching the party the amount of all the salaries and bonuses* […]*."*

33. In light of the above, the Single Judge concluded that the parties had agreed that in case one of the parties would terminate the contract without just cause, then the other party would be entitled to compensation equal to the residual value of the contract. As a consequence, the Single Judge determined that, in accordance with the general legal principle of *"pacta sunt servanda",* the amount of compensation payable by the Respondent to the Claimant had to be assessed on the basis of the residual value of the contract in line with the jurisprudence of the Players' Status Committee.

34. Bearing in mind the foregoing, the Single Judge proceeded with the calculation of the monies payable to the coach under the terms of the employment contract as from the date of termination with just cause by the Claimant until its natural expiration. Bearing this in mind, the Single Judge deemed that the coach would have received in total EUR 2,012,500 as remuneration for the period as from June 2018 until and including December 2018, said amount consisting of 7 monthly salaries of EUR 287,500 each. Consequently, the Single Judge considered that the amount of EUR 2,012,500 serves as the basis for the final determination of the amount of compensation for breach of contract in the case at hand.

35. Equally, the Single Judge verified as to whether the coach had signed a new employment contract after having terminated the contract on 5 June 2018 by means of which he would have been enabled to reduce his loss of income. According to his constant practice, such remuneration under a new employment contract would be taken into account in the calculation of the amount of compensation for breach of contract in connection with the coach's general obligation to mitigate his damages.

36. Having said this, the Single Judge noted that according to the information on file, the coach remained unemployed for the period of 5 June 2018 until 31 December 2018.

37. In view of the above, the Single Judge concluded that the amount of EUR 2,012,500 is to be paid by the club to the coach as compensation for breach of contract.

38. Equally and with regard to the coach's request for interest, the Single Judge, in accordance with his well-established jurisprudence, decided that the club has to pay to the coach 5% interest *p.a.* on the amount of EUR 2,012,500 as from 2 July 2018 until the date of effective payment.

39. In continuation, the Single Judge took into account the coach's request of ordering the club to provide him *"with the corresponding tax withholding certificates corresponding to said amounts"*. In this context, the Single Judge firstly recalled that, as per Article 5.5 of the 2nd contract, *"The amounts to be paid under the present contract are net of taxes* […] *and withholding tax.* [The club] *will between January 1st and February 28th 2018 with to* [the coach] *the tax certificates as well as the tax withholding certificates in order to comply with its tax obligations before the tax authorities."*

40. Consequently, and referring to said contractual clause, the Single Judge understood that the club has the contractual obligation to provide the player with the relevant tax certificates.

41. Moreover, the Single Judge recalled that in its reply to the coach's claim, the club stated that "*it will not hesitate to produce all the corresponding tax withholding certificates their employment contract as soon as it will receive them from the Chinese Tax Authority"* (*cf.* point I.35).

42. Consequently, given the above, the Single Judge decided that the club is to provide the coach with the relevant certificate attesting the payment of taxes to the competent authorities corresponding to the outstanding remuneration in the amount of EUR 1,787,500, as well as the relevant certificate attesting the payment of taxes to the competent authorities corresponding to the compensation in the amount of EUR 2,012,500.

43. In addition, as regards the claimed legal expenses, the Single Judge referred to its long-standing and well-established jurisprudence, in accordance with which no legal compensation shall be awarded in proceedings in front of the Players' Status Committee. Consequently, the Single Judge decided to reject the coach's request relating to legal expenses.

44. Furthermore, the Single Judge established that any other request of the coach had to be rejected.

45. Lastly, the Single Judge referred to art. 25 par. 2 of the Regulations in combination with art. 18 par. 1 of the Procedural Rules, according to which, in proceedings before the Players' Status Committee including its Single Judge, costs in the maximum amount of CHF 25,000 are levied. The relevant provision further states that the costs are to be borne in consideration of the parties' degree of success in the proceedings (cf. art. 18 par. 1 of the Procedural Rules).

46. In this respect, the Single Judge reiterated that the claim of the coach is to a considerable extent accepted, whereas the claim of the club was rejected in its entirety. Therefore, the Single Judge decided that the club has to bear the major part of the costs of the current proceedings in front of FIFA.

47. Furthermore and according to Annexe A of the Procedural Rules, the costs of the proceedings are to be levied on the basis of the amount in dispute. Consequently and taking into account that the total amount at dispute in the present matter exceeded EUR 5,000,000, the Single Judge concluded that the maximum amount of costs of the proceedings corresponds to CHF 25,000.

48. In conclusion, and considering the complexity of the case as well as the volume of submissions, the Single Judge determined the costs of the current proceedings to the amount of CHF 25,000.

49. Consequently, the Single Judge established that the club has to pay the amount of CHF 20,000 and the coach has to pay the amount of CHF 5,000 order to cover the costs of the present proceedings. The Single Judge further noted that the coach already covered its part of the costs as an advance of costs at the beginning of the proceedings.

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

1. The claim of the Claimant / Counter-Respondent, Gregorio Manzano Ballesteros, is admissible.

2. The claim of the Claimant / Counter-Respondent is partially accepted.

3. The Respondent / Counter-Claimant, Guizhou Hengfeng FC, has to pay to the Claimant / Counter-Respondent, **within 30 days** as from the date of notification of the present decision, outstanding remuneration in the amount of EUR 1,787,500 net, plus 5% *p.a.* until the date of effective payment, as follows:
   a) As from 16 April 2018, on the amount of EUR 1,500,000 net;
   b) As from 1 June 2018, on the amount of EUR 287,500 net.

4. The Respondent / Counter-Claimant has to pay to the Claimant / Counter-Respondent, **within 30 days** as from the date of notification of the present decision, compensation for breach of contract in the amount of EUR 2,012,500 net, plus 5 % interest *p.a.* as from 2 July 2018 until the date of effective payment.

5. The Respondent / Counter-Claimant is ordered to provide the Claimant / Counter-Respondent with the relevant certificate attesting the payment of taxes to the competent authorities in the amounts under points III.3. and III.4. above.

6. In the event that the aforementioned sums plus interest are not paid by the Respondent / Counter-Claimant within the stated time limits, the present matter shall be submitted, upon request, to the FIFA Disciplinary Committee for consideration and a formal decision.

7. Any further claim lodged by the Claimant / Counter-Respondent, is rejected.

8. The counterclaim lodged by the Respondent / Counter-Claimant, Guizhou Hengfeng FC, is rejected.

9. The final costs of the proceedings in the amount of CHF 25,000 are to be paid by both parties, as follows:

   9.1. The amount of CHF 5,000 has to be paid by the Claimant / Counter-Respondent, Gregorio Manzano Ballesteros. Considering that the Claimant / Counter-Respondent already paid an advance of costs in the amount of CHF 5,000 at the start of the present proceedings, the Claimant / Counter-Respondent is exempted from paying the aforementioned amount as costs of the proceedings.

   9.2. The amount of CHF 20,000 has to be paid by the Respondent / Counter-Claimant, Guizhou Hengfeng FC, directly to FIFA to the following bank account with reference to case nr. 18-01287/osv:

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

10. The Claimant / Counter-Respondent is directed to inform the Respondent / Counter-Claimant immediately and directly of the account number to which the remittances under points III.3., and III.4. above are to be made and to notify the Players' Status Committee of every payment received.

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Note related to the publication:

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

Note related to the appeal procedure:

According to article 58 par. 1 of the FIFA Statutes, this decision may be appealed against before the Court of Arbitration for Sport (CAS). The statement of appeal must be sent to the CAS directly within 21 days of receipt of notification of this decision and shall contain all the elements in accordance with point 2 of the directives issued by the CAS. Within another 10 days following the expiry of the time limit for filing the statement of appeal, the appellant shall file a brief stating the facts and legal arguments giving rise to the appeal with the CAS.

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

Court of Arbitration for Sport
Avenue de Beaumont 2
1012 Lausanne
Switzerland
Tel: +41 21 613 50 00
Fax: +41 21 613 50 01
e-mail: info@tas-cas.org
www.tas-cas.org

For the Single Judge of
the Players' Status Committee:

Emilio García Silvero
Chief Legal & Compliance Officer