

Date: 19 May 2021

Sent to

Respondent:

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Notification of the decision

Ref: 200571 APC

Dear Sirs,

Please find attached the grounds of the decision passed in the aforementioned case by the Chairman of the FIFA Appeal Committee on 31 August 2020.

We would appreciate your taking due note of this decision.

Yours faithfully,

FIFA



Carlos Schneider
Head of the FIFA Disciplinary Department

Decision of the Appeal Committee

passed in Zurich, Switzerland, on 31 August 2020,

COMPOSITION:

Mr. Thomas Bodström, Sweden (Chairman)

RESPONDENT:

Sociedade Esportiva Palmeiras, Brazil

Regarding the appeal lodged by Sociedade Esportiva Palmeiras against the decision passed by the FIFA Disciplinary Committee on 18 May 2020

I. FACTS OF THE CASE

1. The following summary of the facts does not purport to include every single contention put forth by the actors at these proceedings. However, the Chairman of the FIFA Appeal Committee (hereinafter, the Chairman of the Committee) has thoroughly considered in his analysis any and all evidence and arguments submitted, even if no specific or detailed reference was made to these arguments in his reasoning on the merits outlined below.
2. On 19 August 2019, the Brazilian club SE Palmeiras (hereinafter: *Palmeiras* or *the Appellant*) signed an agreement (hereinafter: *the Agreement*) with the Japanese club, Yokohama F Marinos (hereinafter: *Yokohama*), in order to transfer the player Thiago Martins Bueno (hereinafter: *the Player*) to the latter from loan to permanent.
3. In this regard, the Agreement, which was uploaded in the Transfer Matching System (TMS) by Palmeiras, contained the following clause (hereinafter: *The Clause*):

“The Parties agree that if YOKOHAMA receives any proposal for the transfer of ATHLETE to another club by a transfer fee equal or higher than EUR 6.000.000,00 (six million Euro), YOKOHAMA may:

- (i) execute the referred transfer by transferring the Transfer Participation to PALMEIRAS in 5 (five) days following the receipt of these gains by YOKOHAMA; or*
- (ii) reject the such proposal and making the payment to PALMEIRAS the value corresponding to 50% (fifty percent) of the price offered by the third club, within 5 (five) days from the rejection of the proposal.”*

4. On 21 January 2020, Palmeiras entered a transfer instruction (TMS ref. 268939) in the TMS to release the Player permanently to Yokohama and indicated that it did *“not entered into an agreement which enables the counter club/counter clubs, and vice versa, or any third party to acquire the ability to influence its independence and policies in transfer-related matters”*.
5. Following an investigation conducted by FIFA’s TMS Compliance, disciplinary proceedings were opened against the Appellant on 21 April 2020 for a possible violation of art. 18bis par. 1 of the Regulations on the Status and Transfer of Players [2019 ed.] (hereinafter: *the RSTP* or *the Regulations*) and art. 4 par. 3 of Annexe 3 of the RSTP.
6. On 18 May 2020, the Disciplinary Committee passed a decision against the Appellant (hereinafter: *the Appealed Decision*), whereby it decided as follows:
 1. *The FIFA Disciplinary Committee found the club SE Palmeiras responsible for the infringement of the relevant provisions of the Regulations on the Status and Transfer of Players (RSTP) related to third-party influence on clubs (Art. 18bis) and to the obligation of clubs in relation to TMS (art. 4.3).*

2. *The FIFA Disciplinary Committee orders the club SE Palmeiras to pay a fine to the amount of CHF 25,000.*
3. *In application of art. 6 par. 1 lit. a) of the FIFA Disciplinary Code, the club SE Palmeiras is warned on its future conduct.*
4. *The above fine is to be paid within thirty (30) days of notification of the present decision.*
7. The terms of the Appealed Decision were notified to the Appellant on 20 May 2020. Upon request of the Appellant, the grounds were notified on 26 May 2020.
8. On 29 May 2020, the Appellant informed the secretariat to the FIFA Appeal Committee (hereinafter: *the Secretariat*) about its intention to appeal the aforementioned decision and provided a copy of the proof of payment for the Appeal Fee.
9. On 3 June 2020, the Appellant submitted its reasons for the appeal.
10. On 14 August 2020, the Secretariat acknowledged receipt of the two abovementioned correspondences.

II. APPELLANT'S POSITION

1. The position of the Appellant is summarized hereafter. However and for the sake of clarity, this summary does not purport to include every single contention put forth by the Appellant. Nevertheless, the Chairman of the Committee has thoroughly considered in his analysis any and all evidence and arguments submitted, even if no specific or detailed reference has been made to these arguments in the following outline of his position.

As to the facts:

- The Player was transferred on loan from Palmeiras to Yokohama on 9 August 2018. The loan agreement included an exclusive option for Yokohama to acquire the Player's federative rights permanently as well as the total share of the Player's economic rights for the amount of USD 4,000,000;
- Yokohama exerted the said option on 19 August 2019 and acquire the Player as well as 50% of his economic rights for the amount of USD 2,000,000;
- The conditions of the Agreement were consensually discussed and agreed between the parties, which are renowned and powerful clubs within their respective leagues, and hence, the operation was mutually set and valid, with no influence at all;

As to the merits:

- Following the reasoning laid out by the Disciplinary Committee in a similar case (i.e. violation of article 18bis of the RSTP), it can be concluded that the implementation of the said article in the Regulations was a consequence of the infiltration and the intrusion in clubs and players of natural and legal persons outside the world of football, which urged FIFA to find ways of protecting the interests and independence of clubs from external parties that could have different interests other than the clubs sporting activity;
- In the present case, none of the parties of the Agreement are third parties or external persons to the football industry and therefore, the concerns raised by FIFA which led to the implementation of article 18bis have no connection with the contractual arrangements negotiated between Palmeiras and Yokohama;
- In any event, neither Palmeiras nor Yokohama acquired the ability to influence each other in employment or transfer-related matters;
- The Clause simply foresees a conditional fee to which Palmeiras would be entitled in case Yokohama rejects an offer for the Player from a third club for more than USD 6,000,000. This conditional fee was established as a compensation for the difference between the transfer fee negotiated at first in the loan agreement (i.e. USD 4,000,000) and the transfer fee paid in the end (i.e. USD 2,000,000);
- Therefore, eventual discounts like the present one of the total value of the transfer or even conditional payments to make feasible and possible an increase of the transfer fee under certain requirements cannot be interpreted as a violation of article 18bis;
- The provision set out in the Clause is commonly applied by clubs from all over the world without being interpreted as illegal;
- Yokohama remains the absolute legal and beneficial owner of the Player's future transfer and all interests and rights therein;
- The conditions set out in the Clause have not been met so far and therefore, the conditional fee has not been applied. As a result, Palmeiras did not even have the opportunity to supposedly interfere in Yokohama's autonomy;
- The Agreement and in particular, the Clause, was concluded by the parties that have full autonomy to negotiate and to close deals consensually, on equal footing and according to ethics and fair play. Consequently, there is no reason to admit any violation of Article 18bis;

As to the disproportionality of the sanction:

- As an alternative, and in case that the Appeal Committee finds that the Appellant has breached article 18bis, the fine imposed by the Disciplinary Committee should be reduced, as there are several mitigating factors involved in the present case;
- First, this case is less grievous than the ones in which a club enters into an agreement with an external stakeholder;
- Secondly, Palmeiras has fully cooperated with FIFA's legal bodies and behaved appropriately during the whole proceedings;
- The current worldwide situation, declared by the WHO as a pandemic and by FIFA as a situation of force majeure, has affected drastically the Appellant's financial situation, since the Brazilian football competitions are suspended for undetermined time. Due to the suspension of the competitions, the club is now deprived or has seen a reduction in its main sources of revenues, such as box-office incomes, TV broadcasting rights, endorsement contracts and the sales of licensing materials, amongst others.

Requests for relief

- The Appellant requests the Appeal Committee to set aside the Appealed Decision and to lift the warning and the fine imposed by the Disciplinary Committee or, alternatively;
- To acknowledge the mitigating circumstances presented in the case at hand and to lift the warning and substantially reduce the fine by at least 50%.

III. CONSIDERATIONS OF THE APPEAL COMMITTEE

1. In view of the circumstances of the present matter, the Chairman of the Committee first decides to address some key procedural aspects (A), before entering into the substance of the case at stake (B).

A. PROCEDURAL ASPECTS

1. Competence of the FIFA Appeal Committee and admissibility of the Appeal

2. First, the Chairman of the Committee recalls that the procedural aspects of the matter at stake are governed by the 2019 edition of the FIFA Disciplinary Code (hereinafter: *the FDC*), in particular considering that the Appellant lodged the present appeal on 29 May 2020, *i.e.* while the 2019 FDC was applicable.

3. In this context, the Chairman of the Committee underlines that the sanctions imposed by the first instance on the Appellant are a fine of CHF 25,000 and a warning. As such, the Committee points out that, in accordance with art. 56 together with art. 57 of the FDC, it is competent to hear the appeal presented by the Appellant against the decision rendered by the Disciplinary Committee on 18 May 2020.
4. Furthermore, it must be noted that, in accordance with art. 60 lit. f) of the FDC, the Chairman of the FIFA Appeal Committee may, on an individual basis, decide on cases in which the sanction imposed by the Disciplinary Committee is a fine of up to CHF 500,000. As the fine imposed by the Disciplinary Commission is lower than CHF 500,000, *i.e.* CHF 25,000, the present case can be decided by the Chairman of the Appeal Committee alone, acting as a single judge.
5. This having been established, the Chairman of the Committee acknowledges that:
 - i. The grounds of the Appealed Decision were notified on 26 May 2020;
 - ii. The Appellant communicated its intention to appeal and provided the proof of payment of the Appeal Fee on 29 May 2020;
 - iii. The Appellant submitted its reasons for the appeal on 3 June 2020;
 - iv. FIFA received the appeal fee.
6. In view of this, the Chairman of the Committee holds that the requirements of art. 56 pars. 3, 4 and 6 of the FDC had been met and, therefore, declared the present appeal admissible.

2. Applicable law

7. In continuation, the Chairman of the Committee deems that it has to determine the edition of the Regulations on the Status and Transfer of Players (RSTP) that is of application to the substance of the matter at stake.
8. In these circumstances, the Chairman of the Committee notes that the Appellant has been sanctioned for having infringed the provisions of the RSTP related to third-party influence on clubs (art. 18bis par. 1) and for failing to enter correct information in TMS (art. 4 par. 3 of Annexe 3), in relation to the agreement signed on 29 August 2019 with Yokohama.
9. Consequently, the Chairman of the Committee considers that the present matter has to be analysed in light of the 2019 edition of the RSTP, which was the one in force at the time the Agreement was signed.
10. This being established, the Chairman of the Committee, subsequently, analyses the merits of the present case.

B. MERITS

11. In this context, the present proceedings are related to a decision rendered by the Disciplinary Committee by means of which the Appellant has been sanctioned (i) for entering into a transfer

agreement that enabled it to influence the counter club's independence and policies in transfer-related matters, and (ii) for not declaring that influence in the relevant transfer instruction entered in TMS to release the Player to Yokohama.

12. In this sense, the Chairman of the Committee notes that the Appellant believes that the Clause does not breach art. 18bis of the RSTP and consequently, the Appellant has neither breached art. 4 par. 3 of Annexe 3 of the RSTP.
13. In this regard, the Appellant believes that the Agreement did not give it the possibility to exercise a real and effective influence on Yokohama, being the latter the absolute legal and beneficial owner of the Player's future transfer and all interests and rights therein. Moreover, Palmeiras argues that the Clause simply foresees a conditional fee as compensation for the difference between the transfer fee negotiated in the loan agreement and the transfer fee that was finally agreed.
14. Finally, Palmeiras claims that the conditions laid out in the Clause were not met and that, consequently, the conditional fee was not materialized, meaning that, in any event, no alleged influence was exerted.
15. In light of the Appellant's allegations, the Committee considers that in order to decide on this appeal there are five questions that have to be answered:
 - i. What is the prohibition foreseen in art. 18bis of the RSTP?
 - ii. Is article 18bis of the RSTP applicable to the present matter
 - iii. Does the provision of the Clause constitute a breach of art. 18bis of the RSTP?
 - iv. Did the Appellant fail to enter correct information in TMS and breach art. 4 par. 3 of Annexe 3 of the RSTP?
 - v. Is the sanction imposed by the FIFA Disciplinary Committee on the Appellant proportionate?

i. What is the prohibition foreseen in art. 18bis of the RSTP?

16. First and foremost, the Chairman of the Committee refers to the allegations made by the Appellant that the Disciplinary Committee made a wrong interpretation of the Clause in accordance with art. 18bis of the RSTP, as the clause at stake did not give the Appellant the possibility to exercise a real and effective influence on Yokohama, as it only foresees a conditional fee to which Palmeiras would be entitled in case Yokohama refuses to transfer the Player when receiving an offer of EUR 6,000,000 or more.
17. In this sense, the Chairman of the Committee wishes to stress that a correct interpretation of the FIFA regulations in general, and of art. 18bis of the RSTP in particular, must show their true meaning. This is possible only through the analysis of the purpose sought, of the interest protected as well as of the legislator's intent¹.

¹ CAS 2008/A/1673; CAS 2009/A/1810; CAS 2009/A/1811; CAS 2017/A/5173

18. In this respect, the Committee would like to recall the content of art. 18bis par. 1 of the RSTP, which establishes that:

“No club shall enter into a contract which enables the counter club/counter clubs, and vice versa, or any third party to acquire the ability to influence in employment and transfer-related matters its independence, its policies or the performance of its teams.”

19. In this context, the Chairman of the Committee points out that according to the wording of art. 18bis of the RSTP – *“No club shall enter into a contract which enables the counter club/counter clubs, and vice versa, or any third party to acquire the ability to influence [...]”* –, there is an active stance: clubs are prohibited from being able to actively influence other clubs in employment and transfer-related matters. In this sense, the Committee emphasises that this provision is addressed to both clubs, *i.e.* the influencing club and the influenced club. As far as the influencing clubs are concerned – as is the case of the Appellant –, the Committee stresses that they are undoubtedly responsible to ensure that they do not exercise any kind of influence on the counter club.
20. In other words, this prohibition aims at avoiding that a club concludes any type of contract by means of which it is in a position to influence another club’s independence in employment and transfer-related matters, its policies or the performance of its teams. In particular, there should be no influence on the other club’s ability to independently determine the conditions and policies concerning purely sporting issues such as the composition and performance of its teams. This provision applies to the influencing club as well as to the influenced club (*vice versa*).
21. Secondly, the Chairman of the Committee refers to the jurisprudence of the Court of Arbitration for Sport (CAS) which has shed some light on the notion of “influence”². In this regard, CAS ruled that the prohibition foreseen in art. 18bis of the RSTP applies whenever *“any other party to that contract or any third party”* is granted the real ability to effect on, determine or impact the behaviour or conduct of the concerned club in relation to employment and transfer-related matters in such a way as to restrict the club’s independence or autonomy in such matters.
22. Consequently, the Chairman of the Committee considers that a club will be in breach of art. 18bis of the RSTP every time it enters into an agreement that enables it to have a real ability to determine or impact the behaviour or conduct of another club in employment and transfer-related matters or the performance of its team, and therefore is in a position to influence the club’s independence and policies in these matters. Furthermore, the Committee emphasises that the mere fact that such a clause is included in an agreement is an infringement *per se* and it is therefore irrelevant whether any influence has actually been exercised or not.
23. In light of the above, the Chairman of the Committee observes that the Appealed Decision clearly set out the background and *rationale* of art. 18bis of the RSTP in order to enable the Appellant to understand the intention of the legislator and the interest that this provision

² CAS 2017/A/5463

intends to protect. Moreover, the Committee notes that the Appealed Decision also specified the regulatory content and the scope of application of art. 18bis of the RSTP.

24. As a result, the Chairman of the Committee is fully satisfied with the Disciplinary Committee's analysis of art. 18bis of the RSTP and therefore considers that the said Committee has correctly interpreted this provision.

ii. Is article 18bis of the RSTP applicable to the present matter?

25. As a preliminary remark, the Chairman of the Committee highlights that it is undisputed from the information provided by the parties in TMS that the Appellant entered into a transfer agreement with Yokohama in order to transfer the player Thiago Martins Bueno. Therefore, Palmeiras can be considered the counter club to Yokohama in accordance with the wording of art. 18bis of the RSTP.
26. Notwithstanding the above, the Chairman of the Committee observes that, according to the Appellant, the Clause does not constitute a breach of article 18bis of the Regulations because it does not correspond to the type of agreements and deals that FIFA wanted to avoid and prevent with the implementation of the said article, which was indeed aimed at protecting the independence of the clubs from external stakeholders.
27. In this regard, the Chairman of the Committee believes it important to stress that the wording of article 18bis of the RSTP is very clear and leaves no room for interpretation. In particular, this article is aimed at avoiding the influence of external stakeholders or third parties in a club's independence as well as, as it is clearly written in the provision, at preventing the influence of the counter clubs, meaning those clubs with which a transfer agreement is concluded.
28. In light of the above, the Chairman of the Committee highlights that it is undisputed from the information provided by the relevant parties in TMS that the Appellant entered into a transfer agreement with Yokohama in order to release the player Thiago Martin Bueno. Therefore, the Appellant can be considered the counter club to Yokohama, in accordance with the wording of art. 18bis of the RSTP. As a consequence, the Chairman of the Committee concludes that it is evident that the said article is applicable to both clubs and hence, to the present matter.

iii. Does the provision of the Clause constitute a breach of article 18bis of the RSTP?

29. Having determined the above, the Chairman of the Committee moves on to analyse the Clause, in light of a possible breach of art. 18bis of the RSTP. The said clause reads as follows:

"The Parties agree that if YOKOHAMA receives any proposal for the transfer of ATHLETE to another club by a transfer fee equal or higher than EUR 6.000.000,00 (six million Euro), YOKOHAMA may:

- (iii) execute the referred transfer by transferring the Transfer Participation to PALMEIRAS in 5 (five) days following the receipt of these gains by YOKOHAMA; or*

(iv) reject the such proposal and making the payment to PALMEIRAS the value corresponding to 50% (fifty percent) of the price offered by the third club, within 5 (five) days from the rejection of the proposal.”

30. In this regard, the Chairman of the Committee agrees with the view of the FIFA Disciplinary Committee and considers that the above clause entitles Palmeiras to acquire a position from which it could exercise an influence on Yokohama's freedom in transfer related matters. In particular, the Committee believes that Yokohama would not have complete freedom to decide whether and where or to which club to transfer the Player, given that the moment Yokohama receives an offer from a third club for the Player for an amount of, at least, EUR 6,000,000, Yokohama would have to pay a minimum of EUR 3,000,000 to Palmeiras in case it does not accept the offer. Therefore, the Committee concludes that Yokohama does not enjoy total independence in relation to matters regarding employment related matters and the transfer of players.
31. Moreover, the Chairman of the Committee points out that in order to establish a breach of art. 18bis RSTP, it is irrelevant if any influence was actually carried out or not by Palmeiras, but the breach is materialized whenever a real possibility to affect Yokohama's decision-making process is agreed upon – as it is the case of the abovementioned clause – regardless of the influence being exercised or not.
32. Finally, the Chairman of the Committee wishes to stress that the alleged purpose or intention of the Clause (i.e. compensation of an initial deduction in the transfer fee) is irrelevant to establish a breach of art. 18bis RSTP, given that the prohibition of the aforementioned article applies from the moment that a real possibility for Palmeiras to influence Yokohama is agreed upon, regardless of the extent of the said influence or the intention of the parties.
33. Consequently, for the reasons explained above, the Chairman of the Committee concurs with the FIFA Disciplinary Committee and deems that the Clause contravenes art. 18bis of the RSTP.

iv. Did the Appellant fail to enter correct information in TMS and breach art. 4 par. 3 of Annexe 3 of the RSTP?

34. The Chairman of the Committee notes that the Disciplinary Committee found the Appellant in breach of art. 4 par. 3 of Annexe 3 of the RSTP, since it wrongly declared in TMS that there was no third-party influence in the scope of the transfer of the Player.
35. In this context, the Chairman of the Committee first stresses that the objective of the creation of TMS is to enable a better safeguard of the FIFA values and improve the credibility and transparency of the entire transfer system.
36. In this regard, it is essential that clubs are aware of their responsibility and the importance of inserting correct and complete information supported by the relevant documents in a responsible manner and at regular intervals in TMS.

37. In line with the above, clubs have the obligation to declare in TMS whether they have entered into any agreement enabling them to acquire the ability to influence the counter club's independence in employment and transfer-related matters.
38. In this regard, even though the Appellant uploaded the relevant agreement in TMS, it was a mandatory obligation to declare that said agreement enabled the latter to influence Yokohama's decisions.
39. In light of the foregoing, and having concurred with the FIFA Disciplinary Committee in the fact that the Clause is in breach of art. 18bis of the RSTP, the Chairman of the Committee also adheres to the conclusion that the Appellant is in breach of art. 4 par. 3 of Annexe 3 of the RSTP, since it failed to declare the third-party influence in TMS.

v. Is the sanction imposed by the FIFA Disciplinary Committee on the Appellant proportionate?

40. The Chairman of the Committee notes that the Appellant requests the Appealed Decision to be set aside, lifting the warning and the fine imposed by the FIFA Disciplinary Committee. However, the Appellant further claims that, should the Appeal Committee consider that there was a violation of article 18bis of the RSTP, the fine imposed by the FIFA Disciplinary Committee should, in any event, be reduced due to the many mitigating circumstances surrounding the present case.
41. In this regard and having established for the reasons explained above that the Appellant has breached the relevant provisions of the RSTP, the Chairman of the Committee analyses, subsequently, the sanctions imposed on the Appellant, namely, a fine in the amount of CHF 25,000 and a warning.
42. As a preliminary remark, the Chairman of the Committee recalls the jurisprudence of CAS, according to which a decision-making body fixing the level of pecuniary sanctions should, amongst others, take into consideration the following elements: (a) the nature of the offence; (b) the seriousness of the loss or damage caused; (c) the level of culpability; (d) the offender's previous and subsequent conduct in terms of rectifying and/or preventing similar situations; (f) the applicable case law and (g) other relevant circumstances³.
43. In light of the foregoing, the Chairman of the Committee observes that the Appellant infringed art. 18bis of the RSTP, a provision aiming at protecting the clubs' freedom and independence in relation to recruitment and transfer-related matters as well as to ensure that the integrity of the game of football and its most essential values are safeguarded. In other words, this provision intends to protect one of the main objectives of FIFA, this is, *"to promote integrity, ethics and fair play with a view to preventing all methods and practices, such as corruption, doping or match manipulation, which might jeopardise the integrity of matches, competitions, Players, Officials and members or give rise to abuse of Association Football"*

³ CAS 2014/A/3813

44. In this regard, the Chairman of the Committee remarks that any possible situation where a third-party or the counter club acquires a possibility to directly influence a club in its employment and transfer-related matters should not be tolerated and is absolutely forbidden. In particular, the Chairman of the Committee insists that clubs are responsible to assure that the RSTP are duly respected and to ensure that no third-party acquires a possibility to directly influence them in such areas. In the same line, the Chairman of the Committee considers that the failure to enter correct information in TMS is also a serious violation of the Regulations, as it puts the transparency and credibility of the international transfer system at stake and prevents the football authorities from supervising it in an effective manner.
45. Once having clarified the above, the Chairman of the Committee wishes to provide his comments in relation to the attitude of the Appellant during the present proceedings. In this sense, while it is true that the Appellant has collaborated with the FIFA judicial bodies during the whole proceedings, in the Committee's view, this should not be considered a mitigating circumstance, as the Appellant claims, but as an obligation.
46. To this respect, the obligation or duty to collaborate is foreseen in the FDC, namely, in article 20. As a consequence, it comes clear to the Chairman of the Committee that the Appellant (and any person subject to the FDC) is expected to collaborate with the FIFA judicial bodies and therefore, the fact that it does so, cannot be considered as a mitigating circumstance.
47. Finally, the Chairman of the Committee reverts to the Appellant's argument regarding the complicated economic situation the Appellant is allegedly undergoing as a consequence of the COVID 19 pandemic, which should be considered as a mitigating circumstance.
48. In this sense, and although the Chairman of the Committee is aware that in some situations, any possible mitigating circumstances could lead to a reduction of the sanctions for potential infringements of FIFA regulations, in his opinion, the COVID 19 pandemic does not amount to one of this situations, since, amongst other reasons, it is not related anyhow to the Appellant's behavior and the infringement at stake. In addition, the Chairman of the Committee underlines that the Agreement was concluded in August 2019, this is, almost one year before the mentioned pandemic hit the world and that, considering this situation as a mitigating circumstance could jeopardize the application and respect to the principle of equal treatment, specially with regard to sanctions imposed on other clubs in the past (i.e. before March 2020) for similar infringements.
49. Against such background, the Chairman of the Committee decides that the sanction imposed on Palmeiras is not disproportionate, keeping in mind the deterrent effect that the sanction must have on the reprehensible behaviour to avoid similar unacceptable conducts in the future, as well as the fact that the Appellant has already a precedent regarding a violation of article 18bis of the RSTP.

50. In this sense, and with regard to the fine, the Chairman of the Committee notes that in accordance with art. 15 par. 1 a) and art. 6 par. 4 of the FDC, it may not be lower than CHF 100 and greater than CHF 1,000,000.
51. In addition, he has taken into account the usual practice of the Disciplinary Committee, which for similar breaches has been imposing sanctions between CHF 10,000 and CHF 100,000, depending of the seriousness of the breach.
52. Furthermore, it should also be kept in mind that the influencer's behaviour is more reprehensible than the one of the influenced. In the matter at hand, the Chairman of the Committee notes that Palmeiras is the influencing club as it was only in Palmeira's interest to impose such clause.
53. Taking into account all the circumstances of the case, the Chairman of the Committee concurs with the Appealed Decision, as it considers a fine of CHF 25, 000 and a warning on its future conduct to be adequate and proportionate to the offence committed by the Appellant.

C. CONCLUSION

54. Bearing in mind all of the foregoing, the Chairman of the Committee concludes that the Appeal lodged by the Appellant had to be rejected and the decision taken by the FIFA Disciplinary Committee on 18 May 2020 confirmed in its entirety.

D. COSTS

55. The Chairman of the Committee decides, based on art. 45 par. 1 of the FDC, that the costs and expenses of these proceedings amounting to CHF 1,000 shall be borne by the Appellant.
56. In this sense, since the Appellant has already paid the appeal fee of CHF 1,000, the aforementioned costs and expenses of the proceedings are set off against this amount.

IV. DECISION OF THE APPEAL COMMITTEE

1. The FIFA Appeal Committee found Sociedade Esportiva Palmeiras responsible for the infringement of the relevant provisions of the Regulations on the Status and Transfer of Players related to third-party influence on clubs (art. 18bis par. 1) and to the obligations of clubs with respect to the TMS (art. 4 par. 3 of Annexe 3).
2. The appeal lodged by Sociedade Esportiva Palmeiras is rejected and the decision of the FIFA Disciplinary Committee passed on 18 May 2020 is confirmed in its entirety.
3. The costs and expenses of the proceedings amounting to CHF 1,000 are to be borne by Sociedade Esportiva Palmeiras. This amount is set off against the appeal fee of CHF 1,000 already paid by Sociedade Esportiva Palmeiras.
4. The fine is to be paid within thirty (30) days of notification of the present decision.

FÉDÉRATION INTERNATIONALE
DE FOOTBALL ASSOCIATION



Thomas Bodström

Chairman of the Appeal Committee

LEGAL ACTION

According to art. 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. 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.