

Decision of the Single Judge of the sub-committee of the Dispute Resolution Chamber

passed on 2 August 2021,

regarding training compensation in relation with the registration of the player Edgar
KHACHIKIAN

BY:

Tomislav Kasalo (Croatia), Single Judge of the sub-committee of the Dispute
Resolution Chamber

CLAIMANT:

FC BALTICA KALININGRAD, Russia

RESPONDENT:

FC ARARAT ARMENIA, Armenia

I. FACTS OF THE CASE

Player: Edgar KHACHIKIAN

Date of birth: 19 September 1999

Player passport: issued by the Russian Football Union (**FUR**) on 13 March 2019

Season	Birthday	Club(s)	Registration dates	Status
2011	12 th	FC Baltika Kaliningrad	Entire year	Amateur (Permanent)
2012	13 th	FC Baltika Kaliningrad	Entire year	Amateur (Permanent)
2013	14 th	FC Baltika Kaliningrad	Entire year	Amateur (Permanent)
2014	15 th	FC Baltika Kaliningrad	Entire year	Amateur (Permanent)
2015	16 th	FC Baltika Kaliningrad	Entire year	Amateur (Permanent)
2016	17 th	FC Baltika Kaliningrad	01/01/16 – 11/04/16	Amateur (Permanent)
		FC Strogino Moscow	12/05/16 – 31/12/16	Amateur (Permanent)
2017	18 th	FC Strogino Moscow	01/01/17 – 19/03/17	Amateur (Permanent)
		FC Baltika Kaliningrad	20/03/17 – 31/12/17	Amateur (Permanent)
2018	19 th	FC Baltika Kaliningrad	Entire year	Amateur (Permanent)
2019	20 th	FC Baltika Kaliningrad	01/01/19 – 13/03/19	Amateur (Permanent)

Sporting season

of the FUR: 1 January to 31 December (Amateur)
1 July to 30 June (Professional)

Date of transfer: 13 March 2019, from FC Baltika Kaliningrad (Russia) to FC Ararat Armenia (Armenia) as a professional (free agent)

FC Ararat Armenia entered into an employment with the player valid as from 25 February 2019 until 1 February 2020, according to which the player *inter alia* was entitled to receive a monthly remuneration of AMD 60,000

Claimant club: FC Baltika Kaliningrad (Russia)

Respondent club: FC Ararat Armenia (Armenia)
UEFA, category IV (EUR 10,000 per year)

Claim and Response:

- On 12 March 2021, the Claimant requested EUR 122,932 as training compensation for the first registration of the player as a professional with the Respondent before the end of the season of his 23rd birthday.

2. The Claimant is basing its claim on the fact that the player was registered with it as from 1 January 2011 until 11 April 2016 and as from 20 March 2017 until 13 March 2019, dates which, in the Claimant's opinion, constituted:
 - The entire season of the player's 12th, 13th, 14th and 15th birthdays;
 - 286 days of the season of his 16th birthday;
 - 102 days of the season of his 17th birthday;
 - The entire season of his 18th birthday; and
 - 256 days of the season of his 19th birthday.
3. The Claimant considered that the football season in Russia started on 1 July and ended on 30 June.
4. The Claimant acknowledged that the Respondent was classified under training category IV, and that, in principle, no training compensation would be due (cf. art. 2 par. 2 lit. ii) of Annexe 4 RSTP).
5. Nevertheless, the Claimant underlined that as per FIFA Circular 1249, the DRC may recategorise a club for the purpose of training compensation in case of discrepancy between the guidelines set out in said Circular and the actual categorization of clubs by their respective member associations.
6. The above Circular indicated that for countries with training categories III and IV only, such as Armenia, category III was for *"all third-division clubs of member associations in category 1 and all second-division clubs in all other countries with professional football"* and category IV for *"all fourth and lower-division clubs of the member associations in category 1, all third and lower-division clubs in all other countries with professional football and all clubs in countries with only amateur clubs."*
7. The Claimant underlined that the player signed for the Respondent during the course of season 2018/2019, a season which saw the Respondent win the Armenian first division the Armenian Supercup, as well as taking part in the UEFA Europa League the following season.
8. What is more, the Claimant pointed out that according to online sources, the Respondent had a squad of 34 players under contract, which constituted the highest squad value of any team in Armenia. The Claimant insisted that such was proof of the Respondent's financial strength and stability.
9. The Claimant therefore concluded that the Respondent could not be considered a category IV club and requested the Respondent to be considered as a category III club for the purpose of training compensation.
10. As such, the Claimant calculated the amount claimed by:

- Taking into consideration the yearly amount foreseen for training category IV clubs in UEFA, i.e. EUR 10,000, which it multiplied *pro rata* with the registrations of the player for the season of his 12th until the season of his 15th birthday; and
 - Taking into consideration the amount foreseen for training category III clubs in UEFA, i.e. EUR 30,000, which it multiplied *pro rata* with the registrations of the player for the season of his 16th birthday until the season of his 19th birthday.
11. On 26 April 2021, the Respondent rejected the argumentation of the Claimant.
 12. In this respect, the Respondent declared that it had been rightfully classified under category IV at the beginning of season 2018/2019, and that at the end of such season, after having achieved the sporting success described by the Claimant, it was duly reclassified as category III at the beginning of season 2019/2020.
 13. The Respondent explained that as per the yearly FIFA Circulars regarding the categorization of clubs, Member Associations were requested to review the category of each of their affiliated clubs before the start of the next season.
 14. When signing the player to a professional contract on 25 February 2019, the Respondent indicated that its category had already been assigned at the beginning of the season, and as such it would not make sense to change its category.
 15. What is more, the Respondent indicated that it was competing in the Armenian second division during season 2017/2018, another indicator that its category IV was justified for season 2018/2019.
 16. Finally, the Respondent stated that the player was earning only AMD 60,000 per month, which corresponds to EUR 113, without any accommodation or expenses being covered. As such, the Respondent declared that such low salary could not qualify the player as a professional.
 17. On 13 May 2021, the Claimant insisted that the player was undeniably registered as a professional for the first time with the Respondent.
 18. In addition, the Claimant reiterated its requests for relief.
 19. On 27 May 2021, the Respondent reiterated its requests for relief and submitted a correspondence issued on 21 May 2021 by the Football federation of Armenia (**FFA**) in which the FFA *inter alia* that the Respondent had been rightfully classified under category IV at the beginning of season 2018/2019 in line with its expenditure on youth payers over the previous season.

II. LEGAL CONSIDERATIONS

Applicable law: Regulations on the Status and Transfer of Players (**RSTP**): June 2018 edition

Rules Governing the Procedures of the Players' Status Committee and the Dispute Resolution Chamber (**Procedural Rules**): January 2021 edition

Jurisdiction: Yes, uncontested

Admissibility: Yes, uncontested

Decision:

1. The claim of the Claimant is based on the first registration of the player as a professional with the Respondent.
2. The Claimant acknowledged that when the player was registered with the Respondent, the Respondent was classified under training category IV.
3. Nevertheless, the Claimant argued that the Respondent shall be reclassified under category III for the purpose of training compensation.
4. The Respondent sustained that its classification under category IV for season 2018/2019 was justified, and argued that in any case the player was not a professional since it was earning a salary equivalent to EUR 113.
5. In accordance with art. 2 par. 2 of RSTP as well as the jurisprudence of the DRC, a player is considered a professional if (1) he has signed a written contract with a club and (2) is receiving a retribution (financial and/or in kind) for his footballing activity which is greater than the expenses he effectively incurs.
6. *In casu*, it is uncontested that the player and the Respondent signed an employment contract on 25 February 2019.
7. Thus the first prerequisite of art. 2 par. 2 RSTP is met, i.e. the player and the Respondent have a written agreement in place.
8. As to the remuneration prerequisite, it is uncontested that the player was earning a monthly salary of AMD 60,000.
9. The Respondent alleged that this sum alone was not enough to cover the player's expenses.
10. Regarding the remuneration criteria set out in art. 2 par. 2 RSTP, the DRC previously established that whenever it is not possible to determine a concrete amount of remuneration applicable to all players, the specific circumstances and particularities of each individual case, namely the realities of the country concerned, the other, non-financial benefits to which the player is entitled, and even a possible liquidated damages clause contained in the contract signed between the player and his club, must be taken into account.

11. In accordance with the aforementioned jurisprudence, a player in order to be considered as professional does not have to be able to make a living from his footballing activity and may still need to pursue other working activities in order to earn enough for a living. However, as long as the remuneration he receives from his club is higher than the expenses he effectively incurs, he shall be considered a professional.
12. The Respondent did not submit any evidence in support of its allegations.
13. In view of the above, it cannot be established that the monthly salary of the player was lower than the expenses he incurred.
14. Thus, the argumentation of the Respondent in this respect shall be rejected (cf. art. 12 par. 3 of the Procedural Rules).
15. As such, it is considered that the player's monthly salary constitutes a remuneration that is higher than the expenses he incurred, if any, when registered with the Respondent, and the remuneration prerequisite of art. 2 par. 2 RSTP is met.
16. Therefore, it is determined that the player was a professional when he registered with the Claimant on 13 March 2019.
17. In Russia, the season for amateurs runs as from 1 January to 31 December.
18. Thus, the player registered as a professional for the first time during the course of the season of his 20th birthday.
19. Since the player was registered as an amateur in Russia and, upon transferring from the Claimant, registered with the Respondent as a professional, it can be concluded that his registration with the latter constituted his first registration as a professional.
20. In accordance with art. 3 par. 1 of Annexe 4 RSTP, for the first registration of a player as a professional, the club with which the player is registered is responsible for paying training compensation within 30 days of registration to every club with which the player has previously been registered and that has contributed to his training starting from the season of his 12th birthday.
21. However, as per art. 2 par. 2 lit. ii) of Annexe 4 RSTP, no training compensation is due to the former club of the player when said player registered with a category IV club.
22. The Respondent was classified as a training category IV club by its member association, the FFA, upon registering the player as a professional, and therefore, in principle, no training compensation would be due to the Claimant.

23. The Claimant contested the aforementioned categorization of the Respondent arguing that the latter was to be considered a training category III club.
24. According to art. 5 par. 4 of Annexe 4 of the Regulations, the DRC *"may review disputes concerning the amount of training compensation payable and shall have discretion to adjust the amount if it is clearly disproportionate to the case under review."*
25. FIFA Circular 1249 of 6 December 2010 stipulated that in principle, clubs shall be categorized by their respective member associations according to the following principles:
 - a. Category I (top-level, high-quality training centre): All first-division clubs of member associations investing, on average, a similar amount in training players;
 - b. Category II (still professional, but at a lower level): All second-division clubs of member associations in category I and all first-division clubs in all other countries with professional football;
 - c. Category III: All third-division clubs of member associations in category I and all second-division clubs in all other countries with professional football;
 - d. Category IV: All fourth- and lower-division clubs of the member associations in category I, all third- and lower-division clubs in all other countries with professional football and all clubs in countries with only amateur football.
26. What is more, in accordance with FIFA Circular 1249 *"in such a case of manifest discrepancy, the DRC normally applies the training categories in accordance with the guidelines, despite the fact that the member association concerned had indicated a different categorisation"*.
27. According to FIFA Circular 1627 of 9 May 2018, the FFA may classify its clubs between the following two training categories, i.e.:
 - a. Category III, with training costs of EUR 30,000 per year; and
 - b. Category IV, with training costs of UEUR 10,000 per year.
28. In countries where there is more than one category available, i.e. more than category IV, category IV is in principle reserved for amateur clubs.
29. The Respondent was classified as category IV by the FFA when it registered the player as a professional.
30. The FFA confirmed that it had been classified as such at the beginning of season 2018/2019 in view of the Respondent's investment on the training of young players.
31. However, the player was recruited as a professional player by the Respondent.
32. The Claimant provided evidence that the Respondent competed in the Armenian first division for season 2018/2019, and that the Respondent won the Armenian first division at the end of said season, and subsequently participated in UEFA club competitions the following season.

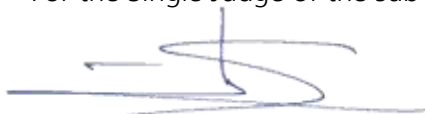
33. Consequently, the category of the Respondent in TMS, i.e. category IV, cannot not be taken into consideration. In fact, the Respondent is not a purely amateur club.
34. Based on the evidence on file, it is determined that the Respondent shall be considered as an established first division club in Armenia.
35. In view of all the above, it is established that the Respondent shall be considered a training category III club, as per FIFA Circular 1249 of 6 December 2010 and FIFA Circular 1627 of 9 May 2018 in combination with art. 5 par. 4 of Annexe 4 RSTP.
36. Consequently, training compensation is due to the Claimant on the basis of the first professional registration of the player with the Respondent.
37. Art. 3 par. 1 of Annexe 4 RSTP stipulates that for a first registration of a professional player, the club with which the player is registered is responsible for paying training compensation within 30 days of registration to every club with which the player has previously been registered and that has contributed to his training starting from the season of his 12th birthday. The amount payable is calculated on a pro rata basis according to the period of training that the player spent with each club.
38. It is undisputed that the player was registered with the Claimant as from 1 January 2011 until 11 April 2016, and as from 20 March 2017 until 13 March 2019, always as an amateur.
39. In Russia, the season for amateurs runs as from 1 January to 31 December.
40. Therefore, it is established that the player was registered with the Claimant as follows:
 - For the entire season of the player's 12th birthday;
 - For the entire season of the player's 13th birthday;
 - For the entire season of the player's 14th birthday;
 - For the entire season of the player's 15th birthday;
 - For the entire season of the player's 16th birthday;
 - For 102 days of the season of the player's 17th birthday;
 - For 287 days of the season of the player's 18th birthday;
 - For the entire season of the player's 19th birthday; and
 - For 72 days of the season of the player's 20th birthday;
41. According to art. 5 par. 2 of Annexe 4 RTSP, the first time a player registers as a professional, the training compensation payable is calculated by taking the training costs of the new club multiplied by the number of years of training, in principle from the season of the player's 12th birthday to the season of his 21st birthday.
42. As established above, the Respondent is considered to be a training category III club. Training costs for category III clubs within UEFA are set at EUR 30,000 per year.

43. Art. 5 par. 3 of Annexe 4 RSTP stipulates that ensure that training compensation for very young players is not set at unreasonably high levels, the training costs for players for the seasons between their 12th and 15th birthdays (i.e. four seasons) shall be based on the training and education costs of category 4 clubs.
44. Training costs for category IV clubs within UEFA are set at EUR 10,000 per year.
45. Consequently, on the basis of the first registration of the player as a professional with the Respondent, the Claimant should in principle be entitled to receive training compensation in the amount of EUR 137,890.41, corresponding to:
- EUR 10,000 for training and education for the entire season of the player's 12th birthday;
 - EUR 10,000 for training and education for the entire season of the player's 13th birthday;
 - EUR 10,000 for training and education for the entire season of the player's 14th birthday;
 - EUR 10,000 for training and education for the entire season of the player's 15th birthday;
 - EUR 30,000 for training and education for the entire season of the player's 16th birthday;
 - EUR 8,383.56 for training and education for 102 days of the season of the player's 17th birthday;
 - EUR 23,589.04 for training and education for 287 days of the season of the player's 18th birthday;
 - EUR 30,000 for training and education for the entire season of the player's 19th birthday; and
 - EUR 5,917.81 for training and education for 72 days of the season of the player's 20th birthday;
46. Nevertheless, the Claimant limited its claim to EUR 122,932.
47. Consequently, in line with the legal principle of *non ultra petita*, the claim of the Claimant is accepted and the Claimant shall be awarded **EUR 122,932** as training compensation.
48. Procedural costs in the maximum amount of CHF 25,000 may be levied for decisions passed by the subcommittee of the DRC in disputes related to training compensation (cf. art. 18 par. 1 of the Procedural Rules).
49. The amount claimed by the Claimant corresponds to EUR 122,932, i.e. above CHF 100,000 and below CHF 150,000. Therefore, procedural costs levied in this respect shall not exceed the sum of CHF 15,000 (art. 1 of Annexe A of the Procedural Rules).
50. In consideration of the amount claimed by the Claimant, costs of the current proceedings shall be set at CHF 13,000.
51. In view of the degree of success of the Claimant, the costs shall be borne in full by the Respondent.
52. The relevant provisions of art. 24bis RSTP are applicable in the present matter.

III. DECISION

1. The claim of the Claimant, FC Baltika Kaliningrad, is accepted.
2. The Respondent, FC Ararat Armenia, shall pay to the Claimant EUR 122,932 as training compensation.
3. Full payment (including all applicable interest) shall be made to the bank account indicated in the enclosed Bank Account Registration Form.
4. The Respondent shall provide evidence of full payment to CHhelpdesk@fifa.org. If applicable, the evidence shall be translated into an official FIFA language (English, French, German, Spanish).
5. If the due amount (including all applicable interest) is not paid by the Respondent **within 45 days** as from notification of the bank account details, the following consequences shall apply:
 1. The Respondent shall be banned from registering any new players, either nationally or internationally, up until the due amount is paid and for the maximum duration of three entire and consecutive registration periods.
 2. The ban will be lifted immediately, and prior to its complete serving, following confirmation that the due amount (including all applicable interest) has been received by the Claimant.
 3. In the event that the payable amount as per in this decision is still not paid by the end of the ban of three entire and consecutive registration periods, the present matter shall be submitted, upon request, to the FIFA Disciplinary Committee.
6. The final costs of the proceedings in the amount of CHF 13,000 are to be paid by the Respondent to FIFA with reference to case no. TMS 8002 (cf. note relating to the payment of the procedural costs below).

For the Single Judge of the sub-committee of the DRC:



Emilio García Silvero

Chief Legal & Compliance Officer

NOTE RELATED TO THE APPEAL PROCEDURE:

Pursuant to article 58 paragraph 1 of the FIFA Statutes, this decision may be appealed before the Court of Arbitration for Sport within 21 days of notification.

NOTE RELATED TO 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 20 of the Procedural Rules).

CONTACT INFORMATION:

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