FIFA FOOTBALL TRIBUNAL

Decision of the Dispute Resolution Chamber

passed on 21 July 2022

regarding an employment-related dispute concerning the player Alan Kardec de Souza Pereira Junior

BY:

Frans de Weger (Netherlands), Chairman
Roy Vermeer (Netherlands), member
Alejandro Atilio Taraborelli (Argentina & Italy), member

CLAIMANT:

Alan Kardec de Souza Pereira Junior, Brazil
Represented by Mr Rafael Queiroz Botelho

RESPONDENT:

Shenzhen FC, China PR
Represented by Mr Tomas Pereda

FIFA FOOTBALL TRIBUNAL

I. Facts of the case

1. On 1 March 2021, the Brazilian player Alan Kardec de Souza Pereira Junior (hereinafter the *Claimant* or the *Player*) and the Chinese club Shenzhen FC concluded (hereinafter the *Respondent* or the *Club*) concluded several contractual documents to establish an employment relationship for the period between 1 March 2021 and 31 December 2023.

2. In particular, the following Contracts have been signed by the Claimant and the Respondent (jointly referred to as the *Parties*):

   - Employment Contract for Professional Football Player (hereinafter the *Employment Agreement*)
   - Supplementary Agreement to the Employment Contract (hereinafter the *Supplementary Agreement*)
   - Agreement to Tax Subsidies (hereinafter the *Tax Agreement*)
   - Deed of Guarantee (hereinafter the *Deed of Guarantee*)

3. In Clause 3.1 of the Employment Agreement, the Parties agreed upon, *inter alia*, the following financial terms:

   *"**EUR 1,100,000** (in words: one million and one hundred thousand euros) after tax, from **1 March 2021** (day/month/year) **until 31st December 2021**, which shall amount to EUR 2,000,000 (in words: two million euros) before tax for reference;"*

   *"**EUR 1,100,000** (in words: one million and one hundred thousand euros) after tax, from **1st January 2022 until 31 December 2022**, which shall amount to EUR 2,000,000 (in words: two million euros) before tax for reference;"*

   *"EUR 3,000,000 (in words: Three Million Euros) from **1 January 2023 until 31 December 2023** before tax, which shall amount to **EUR 1,650,000** after tax for reference;"* (emphasis added)

4. Clause 3.6 of the Employment Agreement read as follows:

   "The Parties understand and agrees that the after-tax amounts under this Contract refer to amounts after deducting the taxes to be paid in Mainland China. The after-tax amount that [the Claimant] *actually receives shall be the amount net of taxes to be paid in Mainland China."*

5. In Clause 10 of the Employment Agreement, the Parties agreed upon the following termination clause:

   "(...) *More in details, the Parties agree that in case any of the Parties terminate the Contract without just cause, the breaching Party shall pay compensation to the other Party for an amount equal to 100% of the remaining salaries."*

6. In Clause 1 of the Supplementary Agreement, the Parties stipulated the following:

"The Parties agree that the salary difference between the year of 2021 and 2022 of the Employment Contract and the Old Contract amounts to EUR 5,800,000 after tax (which should amount to circa EUR 10,545,454 before tax - as reference only) and therefore, during the Term, [the Respondent] *shall pay to* [the Claimant] *the salary difference between both Contracts ("Difference"). The distribution of the Difference shall be made as follows:*

During ***1 March 2021 until 31 December 2021****, [the Respondent] shall pay [the Claimant] an amount equal to EUR 2,900,000 after tax (which should amount to EUR 5,272,727 before tax - as reference only}, to be divided into 10 equal monthly instalments of* ***EUR 290,000*** *each after tax (which should amount to EUR 527,272 each before tax- as reference only); (emphasis added)*

During ***1 January 2022 until 31 December 2022****, [the Respondent] shall pay [the Claimant] an amount equal to EUR 2,900,000 after tax (which should amount to EUR 5,272,727 before tax - as reference only), to be divided into 12 equal monthly instalments of* ***EUR 241,667*** *each after tax (which should amount to EUR 439,393 each before tax – as reference only); (emphasis added)*

"The monthly payments shall be made before the 15th day of the following month, with the first payment to be made no later than 15th April 2021 and the last payment no later than 15th January 2023."

7. In Clause 2.2 of the Supplementary Agreement, the Parties stipulated the following termination clause:

"The Parties agree that in case any of the Parties terminate the Employment Contract and /or this Agreement without just cause, the breaching Party shall pay compensation to the other Party for an amount equal to 100% of the remaining salaries."

8. Clause 3 of the Tax Agreement read as follows:

"In the year of 2021, 2022 and 2023, relevant departments of Shenzhen municipal government and national tax authorities issued the tax-subsidy policy (hereinafter referred to as the "Policy"), according to which the taxes of [the Claimant] *withheld and remitted by* [the Respondent] *would be available for tax subsidies (hereinafter referred to as the 'Subsidies"). However, concerning the needs of personal information protection and tax settlement procedures, the Subsidies shall be made to* [the Claimant's] *personal bank account subject to the Policy."*

9. In the said Tax Agreement and the Deed Guarantee, the Parties stipulated that the Respondent would apply for tax subsidies from the Chinese tax authorities, with the Claimant being entitled to 100% of the tax refunds for 2021 and 2022 and 41% of the tax refunds for 2023, *i.e.* the net amount of EUR 4,640,479, guaranteed by the Respondent:

	Salaries	Pre-tax amounts (CNY)	TAX (CNY)	TAX-Subsidies（CNY）	The TAX-Subsidies will be refunded to the Player
2021	EUR 4,000,000 net of tax	57,801,963.64	25,801,963.64	17,131,669.09	100%: CNY 17,131,669
2022	EUR 4,000,000 net of tax	57,801,963.64	25,801,963.64	17,131,669.09	100%: CNY 17,131,669
2023	EUR 3,000,000 pre-tax	24,000,000.00	10,591,080.00	6,991,080.00	41%: CNY 2,860,496
			In Total	**CNY 41,254,418**	**CNY 37,123,834**
				EUR 5,156,802	**EUR 4,640,479 net of tax**

Art. 4 of the Supplementary Agreement and Art. 3 of Deed Guarantee

10. In the Tax Agreement, the Parties further agreed upon the following:

Since the Subsidies can only be made into domestic bank account held by Party B according to the Policy, the Parties hereby agree and confirm that Party B shall cooperate with Party A to open a specific domestic bank account as follows under Party B's name, if necessary.

The Parties further acknowledge that, since the Subsidies are directly paid to Party B, the subsidies amounts mentioned herein are mere estimated amounts calculated by Party A according to the Subsidies Policy, however, the final amount to be return by Party B to Party A shall be subject to the actual subsidies granted by the relevant authorities. Moreover, in the event that there is any dispute regarding the Subsidies amount, Party B shall be liable to prove the amount of the actual subsidies, otherwise the Party A's calculation, as provided in the above disposed chart, shall prevail.

Upon the receipt of the Tax Subsidies, Party B shall confirm with Party A regarding the amount and payment date. Furthermore, Party B shall distribute Party A's share of each Tax Subsidies to the bank account of Party A or the bank account designated by Party A within 15 business days upon each Tax Subsidies has been received. More specifically, Party B will hold 100% of 2021's Tax Subsidies, 100% of 2022's Tax Subsidies and 41% of the 2023's Tax Subsidies, as provided in the above disposed chart. In case that Party B delays to distribute the above Tax Subsidies' residual percentages to Party A, Party B agrees that the corresponding amount shall be regarded as his salary in the following month and Party A is entitled to deduct the same amount from the following month salary until such amount is full deducted. If the remaining remuneration is less than the Subsidies received by Party B or the Employment Contract is prematurely terminated due to whatever reason, Party A shall be entitled to claim the shortage amount from Party B as compensation, unless otherwise agreed by the Parties.

Note: Party A is the Respondent or Club / Party B is the Claimant or Player

11. In Clause 1.1 of the Deed Guarantee, the Parties agreed upon the following:

> *"The Parties expressly understand that the validity of this Deed of Guarantee is subject to the Agreement and the Employment Contract remaining valid and binding between* [the Respondent] *and* [the Claimant]*. In the event that either the Employment Contract or the Agreement is terminated for whatever reason, this Deed shall be deemed as automatically terminated at the same time."*

12. Clause 1.3 of the Deed Guarantee, furthermore establishes:

> 1.3 Party A guarantees to Party B that in case the Policy is terminated, canceled or adjusted by the relevant authorities during that the above-mentioned period or in case of ineligibility of Party B for the Policy, which results in (i) Party B failing to receive the Expected Subsidies, or (ii) receiving the Expected Subsidies for an amount lower than the sums stated in euros in the above-table, Party A shall compensate the difference of each year to Party B and such compensation shall be paid in euros to the bank account designated by Party B by no later than December of 2022, 2023 and 2024 respectively.
>
> Note: Party A is the Respondent or Club / Party B is the Claimant or Player

13. On 12 September 2021, the Parties and Kaisa Group Holding (hereinafter *Kaisa*) signed a new supplementary agreement (hereinafter the *New Supplementary Agreement*). Therein, the three parties stipulated the following:

> *"On 1/3/2021 (day/month/year),* [the Respondent] *and* [the Claimant] *also signed the Agreement to Tax Subsidies and the Deed of Guarantee (together as "Tax Subsidies Agreements"), according to which* [the Claimant] *was granted by* [the Respondent] *the payment, besides of the salaries provided in the Employment Agreement, of part of the tax subsidies to be received by* [the Respondent]*, as defined in the Tax Subsidies Agreement. Thus, the Parties agree to ratify the terms of the Tax Subsidies Agreement, especially the obligation of* [the Respondent] *to grant the payment to* [the Claimant] *of all the amounts provided in the Employment Contract and in the Tax Subsidies Agreement:"* (...)
>
> *"2. The Parties agree that* [Kaisa] *shall be the Party responsible for the payment of the Salary on behalf of* [the Respondent]*, in the same due dates provided in the Employment Contract, provided that the Employment Contract remains valid and binding between* [the Respondent] *and* [the Claimant]*.* [The Claimant] *explicitly agrees that* [Kaisa] *pays the Salary on behalf of* [the Respondent] *and that payment by* [Kaisa] *fully discharges* [the Respondent] *from its specific obligation under the Employment Contract. In the event that* [the Respondent] *adjust the Salary thereunder, then the amount payable by* [Kaisa] *shall be changed correspondingly."*
>
> *"4.* ***This Agreement shall not affect in any way the terms of the Tax Subsidies Agreements.*** *Thus,* [the Respondent] *shall remain obligated to pay to* [the Claimant] *all the amounts provided in the Tax Subsidies Agreements. Should this Agreement affect the qualification of* [the Respondent] *to apply for and/or to receive any subsidies provided in the Tax Subsidies Agreements, the Parties agree that* [the Respondent] *shall remain responsible for the payment of the full amounts of the Tax Subsidies Agreements to* [the Claimant]*, as provided in clause 1.3 of the Deed of Guarantee."* (emphasis added)

14. On 21 March 2022, the Respondent acknowledged the debt of EUR 1,351,700 in connection with the salaries due and unpaid until 28 February 2022.

15. On an official letter of the Respondent, the latter informed the Claimant regarding as follows:

> *"Whereas on 1/3/2021(day/month/year), Shenzhen and the player signed the Employment Contract for Professional Football Player and SUPPLEMENTARY AGREEMENT TO THE EMPLOYMENT CONTRACT (together as "Employment Contract"), according to which Shenzhen shall pay a total salary of EUR 4,666,667 net in China – "Salary") to the player during 1/3/2021 until 28/2/2022, and before the signing date of this Acknowledgement, the total remaining amount due to be paid to the player is circa EUR 1,351,700 net(or due amount)."*

16. Finally, within the respective letter, the Respondent proposed that the said amount shall be payable to the Claimant as follows:

- *"EUR 333,333 net on or before 25th March 2022*
- *EUR 400,000 net on or before 30th April 2022*
- *EUR 400,000 net on or before 31st May 2022*
- *EUR 218,300 net on or before 30th June 2022"*

17. The Claimant allegedly rejected the proposal of the Respondent.

18. On 30 March 2022, the Claimant sent a default notice to the Respondent, requesting the payment of EUR 1,351,700 within the next 15-days, however, to no avail.

19. On 17 April 2022, the Claimant terminated the contractual relationship with the Respondent.

II. Proceedings before FIFA

20. On 23 April 2022, the Claimant filed the claim at hand before FIFA. A brief summary of the position of the Parties is detailed in continuation.

a. Position of the Claimant

21. According to the Claimant, he had just cause to terminate the employment relationship and requested the following:

i) "1,851,700€ as overdue payables due by 17 April 2022;

ii) 9,123,645€ as compensation for causing the Player to terminate the Contract with just cause, corresponding to the residual value of the Contracts as of 17 April 2022;
iii) and for paying interest on default at the rate of 5% (five percent) per annum over items (i) and (ii) above as of 17 April 2022; and
iv) to support all costs associated with this dispute."

22. The Claimant argued that Respondent's *"behavior towards the Player became unbearable, with continuous delays –or complete default –in the payment of the Player's agreed compensation."*

23. In addition to the outstanding payment, the Claimant argued that following the rejection of the payment plan for overdue payables, the Respondent removed him from the *wechatgroup* of the team, "*leaving him uninformed of group activities and preventing him from attending training sessions and meetings."*

24. The Claimant further argued that *"if considered the Player's average salary for the duration of the Contract, as preconized by the CAS award on the matter CAS 2020/A/7093, it would be 420,308.21€ per month (14,290,479€ divided by 34months between January 2021 and December 2023, inclusive), making the 1,351,700€ default exceed the equivalent to three monthly salaries"*, giving him the just cause to terminate the employment relationship in line with art. 14bis of the Regulations.

25. In continuation, the Claimant asserted that *"it should be noted that the Contracts established that in case of unilateral termination by the Player, with just cause, the Club should be responsible for paying compensation corresponding to 100%of the remaining salaries, as per article 10 of the Employment Agreement and article 2 of the Supplementary Agreement"*, which shall be calculated as follows:

a) **Employment Agreement**: 2,429,000€, being 779,000€ for 2022 (from 15 April until 31 December)[12] and 1,650,000€ for 2023.

[12] The Player was entitled to receive 1,100,000€ in twelve months, for an average of 91,667€ per month.

b) **Supplementary Agreement**: 2,054,166€ for 2022, from 15 April until 31 December[13].

[13] The Player was entitled to receive 2,900,000€ in twelve months, for an average of 241,667€ per month.

c) **Tax Agreement / Deed of Guarantee**: 4,640,479€, being 2,141,548 for 2021 (payable in 2022), 2,141,548 for 2022 (payable in 2023) and 357,563€ for 2023 (payable in 2024).

42. In any event, the total amount of the residual salaries matches the difference between the Player's total salary (14,290,479€) and the amounts effectively paid by Shenzhen (3,314,967€).

b. Position of the Respondent

26. The Respondent's request for relief was as follows:

> *"i. Rule that the present submissions are admissible;*
> *ii. Confirm that the Tax Agreement and Deed shall not be considered by the FIFA Tribunal in the present proceedings;*
> *iii. Confirm that in the event the Respondent has to pay compensation to the Claimant, the amount requested in the Claim shall be greatly reduced and, in any case, it shall be limited exclusively to salaries under the Contract and Supplementary Agreement and it shall not include the subsidies under the Tax Agreement and Deed;*
> *iv. Order the Claimant to disclose any employment agreement that he might have entered with a new club or that he might enter during these proceedings;*
> *v. Mitigate any potential compensation with the new salaries received by the Player from a new club, if any, as well as any other mitigating factor to be determined by the FIFA Tribunal;*
> *vi. To the extent that any costs of these proceedings are to be paid by the parties, rule that Claimant shall be responsible for payment of such costs."*

27. First of all, the Respondent argued that the total sum due on 30 March 2022 amounted to EUR 1,261,274.43 and not to the amount claimed by the Claimant.

28. In support of its allegations, the Respondent provided for the following evidence and calculation:

> [3] RMB 350,000 amounts to EUR 49,152.18 (**Exhibit VI bis**).
> [4] RMB 450,000 amounts to EUR 63,201.03 (**Exhibit VII ter**)
> [5] RMB 712,270 amounts to EUR 98,767.048 (**Exhibit VIII bis**).
> [6] The remunerations under the Contract and the Supplementary Agreement during the year 2021 amount to a total of EUR 400,000 per month, while during 2022 amount to a total of EUR 333,333 per month. In this sense, the remunerations from September 2021 to February 2022 amounted to a total of EUR 2,266,666, but the Club paid EUR 961,530.18 during those months, plus the excess regarding the salary of August 2021 amounting to EUR 43,860.57, making a total of EUR 1,005,391.44.

29. In this respect, the Respondent was of the opinion that the acknowledgement letter of 21 March 2021 shall be disregarded as it is not even signed or stamped by the Respondent.

30. As to the specific tax issues, the Respondent argued that "*under no circumstance the subsidies under the Tax Agreement can be deemed as remuneration or similar retribution under the Contract*" as the "*subsidies derive from the personal income tax already paid by the Club for the remunerations paid to the Player and which are granted by a third party not related to the Club*".

31. In this respect, the Respondent stressed that the Tax Agreement was only a guideline "*in order for the Player to receive the subsidies from the local government during the*

employment relationship", i.e. "in the considerations and decisions taken by third-party authorities not related to the Club, but to the local government of the province where the Club is located".

32. The Respondent continued that its sole obligation under the Employment Agreement and the Supplementary Agreement (in particular Clauses 3 and 4 of the said agreements) consist of payment of Player's salaries, bonuses and allowances.

33. The Respondent further argued that *"the Parties exclusively agreed that the Club would guarantee the payment of those subsidies in case (i) some limited and external circumstances related to the policy occurred (ii) during the validity of the Contract"*, neither of which is the case in the matter at hand.

34. What is more, with reference to Clause 1.1 of the Deed Guarantee, the Respondent argued that "the Parties made crystal clear that in the event that the Contract would be terminated for whatever reason, the Deed was automatically terminated with immediate effect" and that the Deed Guarantee is *"null and void and without effects on the date the Player terminated the Contract with the Club. Consequently, the latter has no responsibility nor obligations at all in relation to the guarantee of the Tax Agreement."*

c. Final comments of the Claimant

35. The Claimant was requested by the FIFA general secretariat to comment on Respondent's allegation that the total sum due on 30 March 2022 amounted to EUR 1,261,274.43 and not to the amount claimed by the Claimant, i.e. EUR 1,851,700.

36. In this respect, the Claimant rejected the argumentation of the Respondent and asserted that he *"stands by the original request for relief put forwarded in the Claim."*

37. *I*n support of his arguments, the Claimant argued that *"all amounts paid to the Player in RMB (Chinese currency) were presented by Shenzhen in Euros using the exchange rate of 25 May 2022, and not the official exchange rate of the dates in which each payment was performed. The failure by Shenzhen to accurately account for the actual currency exchange rate in each pay date is possibly the reason for the difference in the amounts."*

III. Considerations of the Dispute Resolution Chamber

a. Competence and applicable legal framework

38. First of all, the Dispute Resolution Chamber (hereinafter also referred to as *Chamber* or *DRC*) analysed whether it was competent to deal with the case at hand. In this respect, it took note that the present matter was presented to FIFA on 23 February 2022 and

submitted for decision on 21 July 2022. Taking into account the wording of art. 34 of the June 2022 edition of the Procedural Rules Governing the Football Tribunal (hereinafter *the Procedural Rules*), the aforementioned edition of the Procedural Rules is applicable to the matter at hand.

39. Subsequently, the members of the Chamber referred to art. 2 par. 1 of the Procedural Rules and observed that in accordance with art. 23 par. 1 in combination with art. 22 lit. b) of the Regulations on the Status and Transfer of Players (July 2022 edition), the Dispute Resolution Chamber is competent to deal with the matter at stake, which concerns an employment-related dispute with an international dimension between a Brazilian player and a Chinese club.

40. Subsequently, the Chamber analysed which regulations should be applicable as to the substance of the matter. In this respect, it confirmed that, in accordance with art. 26 par. 1 and 2 of the Regulations on the Status and Transfer of Players (July 2022 edition), and considering that the present claim was lodged on 23 April 2022, the March 2022 edition of said regulations (hereinafter *the Regulations*) is applicable to the matter at hand as to the substance.

b. Burden of proof

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

c. Merits of the dispute

42. Its competence and the applicable regulations having been established, the Chamber entered into the merits of the dispute. In this respect, the Chamber started by acknowledging all the above-mentioned facts as well as the arguments and the documentation on file. However, the Chamber emphasised that in the following considerations it will refer only to the facts, arguments and documentary evidence, which it considered pertinent for the assessment of the matter at hand.

i. Main legal discussion and considerations

43. The foregoing having been established, the Chamber moved to the substance of the matter, and took note of the fact that the Parties dispute the justice of the early termination of the contract by the Claimant, based on the alleged non-payment of certain

financial obligations by the Respondent as per the contract, in accordance with art. 14bis of the Regulations.

44. In this context, the Chamber acknowledged that its task was to determine, based on the evidence presented by the Parties, whether the claimed amounts had in fact remained unpaid by the Respondent and, if so, whether the formal pre-requisites of art. 14bis of the Regulations had in fact been fulfilled.

45. The Chamber then referred to the wording of art. 14bis par. 1 of the Regulations, in accordance with which, if a club unlawfully fails to pay a player at least two monthly salaries on their due dates, the player will be deemed to have a just cause to terminate his contract, provided that he has put the debtor club in default in writing and has granted a deadline of at least 15 days for the debtor club to fully comply with its financial obligation(s).

46. In order to establish if the Claimant had just cause to terminate the contract, the Chamber first closely looked at how the monthly remuneration of the Claimant shall be calculated.

47. In this respect, the DRC took into account that both, the Employment Agreement as well as from the Supplementary Agreement are pertinent for the current dispute. Consequently, the Chamber decided to add up the relevant net amounts from both agreements, which corresponds to the following salaries:

    - For year 2021: EUR 1,100,000/10 + EUR 290,000 = EUR 400,000;
    - For year 2022: EUR 1,100,000/12 + EUR 2,900,000/12 (i.e. EUR 241,667) = EUR 333,333.66;
    - For year 2023: EUR 1,650,000/12 = EUR 137,500.

48. The Chamber then recalled that the Claimant claimed not having received his remuneration of EUR 1,851,700. Equally, the Chamber took note that, on the other hand, the amount of EUR 1,261,274.43 was recognized as owed by the Respondent.

49. In view of the above, the Chamber remarked that it would be up to the Respondent to establish that the balance of EUR 590,425.67 was duly paid.

50. Furthermore, the Chamber noted that the Claimant has provided written evidence of having put the Respondent in default on 30 March 2022, i.e. at least 15 days before unilaterally terminating the contract on 17 April 2022.

51. The Chamber also noted that in the case at hand the Respondent bore the burden of proving that it indeed complied with the financial terms of the contract concluded between the Parties.

52. In this respect, the Chamber remarked that based on the evidence on file, it is very difficult to reconstruct a proper break-down nor to see which amounts were indeed paid.

53. The Chamber also noted that in the case at hand the Respondent bore the burden of proving that it indeed complied with the financial terms of the contract concluded between the Parties.

54. On this note, the Chamber was further of the opinion that the evidence filed on behalf of the Respondent is insufficient insofar as they are mere screenshots of alleged bank transfers, which were additionally challenged by the Claimant. In view of the latter, the Chamber concluded the Respondent failed to meet its burden of proof the payments of EUR 590,425.67.

55. In view of the above, the Chamber concluded that the amount of EUR 1,873,922.6, approximately five monthly salaries remained outstanding at the moment of the Claimant's termination.

56. Thus, the Chamber concluded that the Claimant had a just cause to unilaterally terminate the contract, based on art. 14bis of the Regulations.

57. Finally, the Chamber noted that the Claimant's claim contained request for taxes. In this respect, the Chamber deemed that such claim is premature and, consequently, did not enter into its merits.

ii. Consequences

58. Having stated the above, the members of the Chamber turned their attention to the question of the consequences of such unjustified breach of contract committed by the Respondent.

59. The Chamber observed that the outstanding remuneration at the time of termination, coupled with the specific requests for relief of the player, are equivalent to approximately five salaries under the two contracts, amounting to EUR 1,873,922.6

60. As a consequence, and in accordance with the general legal principle of *pacta sunt servanda*, the Chamber decided that the Respondent is liable to pay to the Claimant the amounts which were outstanding under the contracts at the moment of the termination, i.e. EUR 1,873,922.6 (corresponding to the outstanding amounts between November 2021 until 17 April 2022).

61. In addition, taking into consideration the Claimant's request as well as the constant practice of the Chamber in this regard, the latter decided to award the Claimant interest

at the rate of 5% *p.a.* on the outstanding amounts as from 23 April 2022 until the date of effective payment.

62. Having stated the above, the Chamber turned to the calculation of the amount of compensation payable to the Player by the Club in the case at stake. In doing so, the Chamber firstly recapitulated that, in accordance with art. 17 par. 1 of the Regulations, the amount of compensation shall be calculated, in particular and unless otherwise provided for in the contract at the basis of the dispute, with due consideration for the law of the country concerned, the specificity of sport and further objective criteria, including in particular, the remuneration and other benefits due to the Player under the existing contract and/or the new contract, the time remaining on the existing contract up to a maximum of five years, and depending on whether the contractual breach falls within the protected period.

63. In application of the relevant provision, the Chamber held that it first of all had to clarify as to whether the pertinent employment contract contained a provision by means of which the Parties had beforehand agreed upon an amount of compensation payable by the contractual parties in the event of breach of contract.

64. In this regard, the Chamber established that such compensation clause was included in Clause 10 of the Employment Agreement and that it read as follows:

> *"(...) More in details, the Parties agree that in case any of the Parties terminate the Contract without just cause, the breaching Party shall pay compensation to the other Party for an amount equal to 100% of the remaining salaries."*

65. As a consequence, the Chamber proceeded with the calculation of the monies payable to the player under the terms of the contract from the date of its unilateral termination until its end date.

66. On account of all of the above-mentioned considerations and the specificities of the case at hand, the Chamber decided that the Club must pay the amount of EUR 4,461,113.7 to the Player (i.e. EUR 2,811,113.7 for the year 2022 and EUR 1,650,000 for the year 2022), which was to be considered a reasonable and justified amount of compensation for breach of contract in the present matter.

67. Lastly, taking into consideration the player's request as well as the constant practice of the Chamber in this regard, the latter decided to award the player interest on said compensation at the rate of 5% *p.a.* as of 23 April 2022 until the date of effective payment.

iii. Compliance with monetary decisions

68. Finally, taking into account the applicable Regulations, the Chamber referred to art. 24 par. 1 and 2 of the Regulations, which stipulate that, with its decision, the pertinent FIFA

deciding body shall also rule on the consequences deriving from the failure of the concerned party to pay the relevant amounts of outstanding remuneration and/or compensation in due time.

69. In this regard, the DRC highlighted that, against clubs, the consequence of the failure to pay the relevant amounts in due time shall consist of a ban from registering any new players, either nationally or internationally, up until the due amounts are paid. The overall maximum duration of the registration ban shall be of up to three entire and consecutive registration periods.

70. Therefore, bearing in mind the above, the DRC decided that the Respondent must pay the full amount due (including all applicable interest) to the Claimant within 45 days of notification of the decision, failing which, at the request of the Claimant, a ban from registering any new players, either nationally or internationally, for the maximum duration of three entire and consecutive registration periods shall become immediately effective on the Respondent in accordance with art. 24 par. 2, 4, and 7 of the Regulations.

71. The Respondent shall make full payment (including all applicable interest) to the bank account provided by the Claimant in the Bank Account Registration Form, which is attached to the present decision.

72. The DRC recalled that the above-mentioned ban will be lifted immediately and prior to its complete serving upon payment of the due amounts, in accordance with art. 24 par. 8 of the Regulations.

d. Costs

73. The Chamber referred to art. 25 par. 1 of the Procedural Rules, according to which *"Procedures are free of charge where at least one of the parties is a player, coach, football agent, or match agent".* Accordingly, the Chamber decided that no procedural costs were to be imposed on the Parties.

74. Likewise and for the sake of completeness, the Chamber recalled the contents of art. 25 par. 8 of the Procedural Rules, and decided that no procedural compensation shall be awarded in these proceedings.

75. Lastly, the DRC concluded its deliberations by rejecting any other requests for relief made by any of the Parties.

IV. Decision of the Dispute Resolution Chamber

1. The claim of the Claimant, Alan Kardec de Souza Pereira Junior, is partially accepted.

2. The Respondent, Shenzhen FC, has to pay to the Claimant, the following amount(s):

   - EUR 1,873,919.3 as outstanding remuneration plus 5% interest *p.a.* as from 23 April 2022 until the date of effective payment;
   - EUR 4,461,113.7 as compensation for breach of contract without just cause plus 5% interest *p.a.* as from 23 April 2022 until the date of effective payment.

3. The claim of the Claimant concerning tax issues is premature.

4. Full payment (including all applicable interest) shall be made to the bank account indicated in the **enclosed** Bank Account Registration Form.

5. Pursuant to art. 24 of the Regulations on the Status and Transfer of Players, if full payment (including all applicable interest) is not made **within 45 days** of notification of this decision, 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. The maximum duration of the ban shall be of up to three entire and consecutive registration periods.
   2. The present matter shall be submitted, upon request, to the FIFA Disciplinary Committee in the event that full payment (including all applicable interest) is still not made by the end of the three entire and consecutive registration periods.

6. The consequences **shall only be enforced at the request of the Claimant** in accordance with art. 24 par. 7 and 8 and art. 25 of the Regulations on the Status and Transfer of Players.

7. This decision is rendered without costs.

For the Football Tribunal:

Emilio García Silvero
Chief Legal & Compliance Officer

NOTE RELATED TO THE APPEAL PROCEDURE:

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

NOTE RELATED TO THE PUBLICATION:

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

CONTACT INFORMATION

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