TAS / CAS
TRIBUNAL ARBITRAL DU SPORT
COURT OF ARBITRATION FOR SPORT
TRIBUNAL ARBITRAL DEL DEPORTE

CAS 2024/A/10638 Queens Park Rangers Football Club v. Boavista Futebol Clube
CAS 2024/A/10771 Reginald Jacob Cannon v. Boavista Futebol Clube

ARBITRAL AWARD

delivered by the

COURT OF ARBITRATION FOR SPORT

sitting in the following composition:

President: Mr Espen Auberg, Attorney-at-Law, Oslo, Norway
Arbitrators: Professor Massimo Coccia, Attorney-at-law, Rome, Italy
Mr Efraim Barak, Attorney-at-law, Tel Aviv, Israel

in the arbitration between

Queens Park Rangers Football Club, United Kingdom

Represented by Mr Stuart Baird & Mr Robert Danvers, Attorneys-at-law, Manchester, United Kingdom

- First Appellant –

and

Reginald Jacob Cannon, United States of America

Represented by Mr Fernando Veiga Gomes, Attorney-at-law Lisbon, Portugal

- Second Appellant –

and

Boavista Futebol Clube, Portugal

Represented by Mr João Filipe Lobão & Mr. Ricardo Magalhães Tavares, Attorneys -at-law, Lisbon, Portugal

- Respondent -

I. PARTIES

1. Queens Park Rangers Football Club (the "First Appellant" or "QPR") is an English football club and an affiliated member to the Football Association ("the FA"), which in turn is affiliated with the Union des Associations Européennes de Football ("UEFA") and the Fédération Internationale de Football Association ("FIFA").

2. Mr Reginald Jacob Cannon (the "Second Appellant" or the "Player") is a professional football player, a national of the United States of America, born on 11 June 1998.

3. The First Appellant and the Second Appellant are hereinafter jointly referred to as the "Appellants".

4. Boavista Futebol Clube (the "Respondent" or "Boavista") is a Portuguese football club, and an affiliated member to the Portuguese Football Federation ("FPF") which in turn is affiliated with UEFA and FIFA.

5. The Appellants and the Respondent are hereinafter jointly referred to as the "Parties".

II. FACTUAL BACKGROUND

6. Below is a summary of the main relevant facts, as established on the basis of the written submissions of the Parties, and the evidence examined in the course of the proceedings. This background information is given for the sole purpose of providing a summary of the dispute. Additional facts may be set out, where relevant, in connection with the legal analysis. While the Panel has considered carefully all the facts and evidence submitted by the Parties in the present proceedings, this Award refers only to the facts and evidence considered necessary.

A. Background Facts

7. On 8 September 2020, the Player and Boavista concluded an employment contract (the "Contract") for the term 8 September 2020 until 30 June 2025.

8. Article 3 of the Contract regulates remuneration, and states as follows:

"*1. BOAVISTA, SAD hereby undertakes to pay PLAYER net annual remuneration of:*

- Football Season 2020/2021: € 175,000.00 (one hundred and seventy-five thousand euros);

- Football Season 2021/2022: € 400,000.00 (four hundred thousand euros);

- Football Season 2022/2023: € 450,000.00 (four hundred and fifty thousand euros);

- Football Season 2023/2024: € 500,000.00 (five hundred thousand euros);

- Football Season 2024/2025: € 550,000.00 (five hundred and fifty thousand euros);

1.1. The amount for the football season shall be paid in 10 (ten) monthly instalments, payable by the 5th of each month, starting on 5 October 2020 and ending on 5 July 2021 and in the same dates of the following corresponding seasons (…)."

9. Articles 8 and 9 of the Contract state as follows:

"*EIGHT*

Cases and situations not provided for herein, and only these, shall be governed by the Regulations on the Status and Transfer of Players approved by FIFA and on a subsidiary basis by Portuguese Law and the Collective Labour Agreement approved by the Sindicato Nacional dos Jogadores Profissionais de Futebol and the Liga Portuguesa de Futebol Profissional.

NINE

1. This contract must be interpreted in accordance with FIFA Regulations, namely the "FIFA Regulations on the Status and Transfer of Players" (2019 edition).

2. The parties to this contract hereby agree to elect, for situations that cannot be resolved under para. 1 of this clause, as the case may be, the Player Status Committee, the Dispute Resolution Chamber, the Court of Arbitration for Sport in Lausanne, the language of the proceedings shall be English, and if the player is appellant, both parties must accept the appoint of a single judge, resident in Switzerland, both parties waiving any other recourse to any other jurisdictional body, howsoever privileged, as the body competent to settle any doubts, matters or disputes arising from this contract."

10. Article 43 of the Portuguese Collective Bargaining Agreement (the "CBA") referred to in Article 8 of the Contract, states as follows:

"*Article 43 Just cause for termination on the player's initiative*

1. The following behaviors attributable to the employer, among others, constitute just cause for termination on the player's initiative, with the right to compensation:

a) Non-payment of wages for more than 30 days, provided that the player gives notice to the club or sports company giving them three working days to pay the wages for which they are responsible;

b) Culpable failure to pay wages on time and in due form, under the terms of Article 394(5) of the Labor Code;

c) Violation of the player's guarantees in the cases and terms provided for in article 12;

d) Application of abusive sanctions;

e) Offense against the physical integrity, honor or dignity of the player committed by the employer or their legitimate representatives;

f) Intentional conduct by the employer to cause the employee to terminate the contract.

2. Failure to pay wages on time for a period of more than 30 days entitles the player to the termination provided for in point a) of the previous paragraph, provided that the player notifies the LPFP of his intention to terminate the contract by registered letter with acknowledgement of receipt and the club or sports company fails to make the respective payment within three working days."

11. Article 45 of the CBA states as follows:

"*Lack of just cause*

1. Although the alleged facts objectively correspond to some of the situations set out in the previous articles, the interested party may not invoke them as just cause for termination:

a) When they have shown, through subsequent behavior, that they do not consider them to be disruptive to working relations;

b) When you have unequivocally forgiven the other party."

12. Boavista regularly paid the Player's salaries late. The Player's salaries were paid by means of bank transfers. The bank statements reveal that 28 of 29 salary payments from Boavista, due to be paid to the Player between 5 October 2020 and 5 June 2023, were paid between 5 and 98 days after their due dates.

13. On 9 July 2021, the Player sent two letters to Boavista requesting payment of two monthly salaries, granting Boavista a deadline of three business days to cure its default. The two requested monthly salaries were subsequently paid.

14. On 6 March 2023, the Player again sent two letters to Boavista requesting payment of two monthly salaries. Again, the Player granted Boavista a deadline of three business days to cure its default. The two requested monthly salaries were subsequently paid.

15. On 22 May 2023, as the delays in the salary payments continued, the Player's legal representative sent a letter to Boavista (the "Default Notice") requesting the payment of two salaries within three business days. The letter states, *inter alia*, as follows:

"*Although this is the case, and with reference to the above mentioned football season, my Client has not received full payment of no less than two monthly salaries which, it is clarified, have fallen due, which situation constitutes a manifest breach of contract on your part, and has naturally caused serious and grievous damage to my Client.*

(...)

In view of the above, I invite you to settle the outstanding amounts within 3 (three) business days, after which the necessary steps will be taken to protect my Client's legitimate interests and rights."

16. On 29 May 2023, Boavista paid EUR 91,400 to the Player by bank transfer. The money was wired to the Player's bank account in the USA and received in such bank account on 31 May 2023, with funds available to the Player on 1 June 2023.

17. On 22 June 2023, the Player sent to Boavista a letter dated 21 June 2023 (the "Termination Letter") in which he declared the Contract terminated on the grounds of art. 43 of the CBA. The Termination Letter states, inter alia, as follows:

"*Indeed, you have demonstrated a total disrespect for your obligations, having been repeatedly in breach of your obligation to pay my remuneration promptly.*

So much so that, as you are aware, on 09 July 2021, I was forced to call on you to pay at least two overdue salaries which had not been paid.

In turn, on 6 March 2023, as you are well aware, I was again forced to issue you with a formal demand for payment of 3 (three) salaries due but unpaid.

In addition, on 22 May 2023, as you are aware, I once again issued you with a formal demand for payment in relation to no less than 2 (two) salaries due but unpaid.

Boavista Futebol Clube, Futebol SAD has been solely liable for this wilful and culpable nonperformance, whereby it has deliberately, repeatedly and persistently failed to pay my remuneration promptly.

It may moreover be observed that, in relation to the formal demand for payment issued to you on 22 May 2023, I did not receive the amount corresponding to my overdue remuneration in the three business days subsequent to formal demand which you received by email and by registered letter with recorded delivery, as required by the applicable rules.

(...)

However, the failure to pay my remuneration promptly has been a repeated situation since I entered into the employment contract with you, as is known to Liga Portuguesa de Futebol Profissional, Federação Portuguesa de Futebol and Sindicato de Jogadores Profissionais de Futebol. Although that is the case, the truth is that Boavista Futebol Clube, Futebol SAD persists in breaching its obligation to pay my remuneration promptly, which has led to an irretrievable breakdown in trust.

(...)

In this respect you have deliberately and culpably failed to perform the principal obligation arising from the employment contract entered into, namely, payment of my salary, the main consideration for the work I have done for Boavista Futebol Clube, Futebol SAD, which has led to an irretrievable breakdown in the relationship of trust essential for maintaining the employment relationship.

I will accordingly be unable to maintain the employment contract entered into with you, insofar as the assumption of trust underlying the contractual relationship has been breached, and so, for the reasons set out above, I hereby terminate the contract.

In view of the above and the culpable failure to pay my remuneration promptly, which has occurred persistently over the course of the contract, just cause exists for termination of the sports employment contract, on my initiative, with the right to compensation, under the terms of Article 43.1 c) of the Collective Labour Agreement applicable to our employment relationship, which is now terminated.

Furthermore, I did not receive any amounts in the 3 business days after receipt of the formal demand for payment of outstanding salaries, sent by email and by registered letter with recorded delivery, which constitutes just cause for termination on my initiative, with the right to compensation, on grounds of non-payment of remuneration, under the terms of Article 43.1 a) and b) of the Collective Labour Agreement applicable to our employment relationship, which is now terminated (...)"

18. On 12 July 2023, the Comissao Arbitral Paritaria ("CAP") issued a decision, where it, *inter alia*, stated that its scope of assessment was limited to establishing whether the communication sent by the employee to his employer was formally correct, and that it did not have power to assess the merits of the labour law grounds invoked as the basis for termination. The operative part of the decisions states as follows:

"*All things seen and considered, applying the provisions of paragraphs 8 and 10 of Article 52 of the CLA, as per the amended version published as a consolidated text in BTE no. 8 of 28.02.2017, the members of this Joint Arbitration Board for the Professional Football Players' CLA hereby agree to recognise that the Player Reginald Jacob Cannon is entitled to release from the sports contract*."

19. On 18 September 2023, QPR contacted Boavista via e-mail which, inter alia, stated as follows:

"*Please could you provide me with a letter on club headed paper confirming that [the Player's] contract with Boavista has expired (including the expiry date) and he is free to register for us with no compensation payable.*

If you could do this today that would be great, many thanks."

20. On the same date, Boavista replied to QPR and stated, inter alia, as follows:

"*I come to your contact on behalf of Boavista Futebol SAD regarding the hereunder presented email.*

The said Player unlawfully terminated the sport employment contract with Boavista Futebol SAD and compensation for damages will be requested in FIFA Tribunal as per FIFA Regulations."

21. On 19 September 2023, QPR wrote to Boavista via e-mail and stated as follows:

"*We understand the Player did terminate his contract with Boavista Futebol SAD but this was done following Boavista unlawfully failing to pay him at least two monthly salaries by their due dates, so he therefore had just cause to terminate. We are therefore surprised to note you are saying the termination was unlawful and that Boavista will claim compensation for damages as a result of this termination. Would you please therefore confirm the basis on which you contend the Player did not have just cause to terminate? We would be grateful for your urgent response*."

22. On the same date, QPR entered a transfer instruction in the FIFA Transfer Matching System ("FIFA TMS").

23. On 25 September 2023 QPR and the Player concluded an employment contract (the "QPR Contract") for the term 25 September 2023 until 30 June 2027, which stated, *inter alia*, as follows:

"*8. Remuneration*

The Player's remuneration shall be:

8.1 Basic Wage:

£180,000 per annum payable by monthly instalments in arrear from 25 September 2023 to 30 June 2024

£550,000 per annum payable by monthly instalments in arrear from 1 July 2024 to 30 June 2025

£725,000 per annum payable by monthly instalments in arrear from 1 July 2025 to 30 June 2026

£725,000 per annum payable by monthly instalments in arrear from 1 July 2026 to 30 June 2027

[…]

The Player will receive Loyalty payments as follows:

£170,000 on 30 June 2026

£235,000 on 30 June 2027"

24. On 7 December 2023, Boavista sent a letter to QPR and stated that the Player had breached the Contract and owed compensation to Boavista, to which QPR was jointly and severally liable under Article 17 of the FIFA RSTP, and requested QPR to pay a total amount of EUR 2,107,424.82 plus interest as from 22 June 2023.

B. Proceedings before the Dispute Resolution Chamber of the FIFA Football Tribunal

25. On 8 March 2024, Boavista lodged a claim against the Player and QPR before the Dispute Resolution Chamber of the FIFA Football Tribunal ("FIFA DRC").

26. On 19 March 2024, the Player lodged a claim against Boavista before the FIFA DRC.

27. On the same day, on 19 March 2024, FIFA informed the Parties that the claim lodged by the Player would be joined with the claim lodged by Boavista and treated as a counterclaim.

28. In its claim before the FIFA DRC, Boavista argued, inter alia, that the Player terminated the Contract without just cause as Boavista had proceeded to pay the sums due to the Player within the three business days granted in the notice in question. Further, Boavista was of the opinion that the Player admitted that all salaries due by 5 March 2023 had been paid and that his request only related to salaries due in April and May 2023. Boavista also argued that the Player's conduct constituted an abuse of rights, as the Player's initial acceptance of the payments, which was later converted into his termination of the Contract, was contrary to the principles of trust and good faith. Boavista requested that the Player and QPR be ordered to pay compensation of EUR 2,107,424.82 for breach of contract, calculated on the basis of all the remuneration that the Player would have received up to the end of the Contract had he fulfilled it. Boavista further requested that sporting sanctions be imposed on both the Player and QPR for the breach of contract and inducement thereof, respectively.

29. In his counterclaim, the Player argued, *inter alia*, that he had just cause under Article 43 of the Portuguese Collective Bargaining Agreement (the "CBA") and Articles 14 and 14bis of the Regulations on the Status and Transfer of Players ("FIFA RSTP") to terminate the Contract. In this regard, the Player stated that, in accordance with the CBA, a failure to pay remuneration on time for a period exceeding 30 days entitles a player to terminate a contract with just cause, provided that said player notifies his intention to terminate the contract and the club does not pay within three working days, and that Boavista continuously failed to pay his monthly salary on time, despite verbal complaints and formal notices to this effect. The Player claimed that he was entitled to a compensation for breach of contract, corresponding to the residual value of the Contract.

30. QPR rejected Boavista's claim and supported the Player's view that he had the right to terminate the Contract for just cause. QPR pointed out, *inter alia*, that Boavista had a history of consistently failing to pay the salaries on time. Further, QPR claimed that Boavista's claim for compensation in any case was incorrectly calculated and unsubstantiated, and that even if there was no just cause for the Player's termination, no sporting sanctions should be imposed on QPR as it did not induce the Player to terminate the Contract.

31. The FIFA DRC rendered a decision on 27 June 2024. The grounds of the decision were communicated to the Parties on 10 July 2024 (the "Appealed Decision").

32. A summary of FIFA DRC's reasoning in the Appealed Decision is as follows:

- Taking into account the wording of Article 34 of the Procedural Rules Governing the Football Tribunal March 2023 edition (the "FIFA Procedural Rules"), the FIFA Procedural Rules were applicable to the matter at hand. In accordance with

Article 22 lit. b) of FIFA RSTP, the FIFA DRC was competent to deal with the matter at stake, which concerned an employment-related dispute with an international dimension between a player from the USA and two clubs from England and Portugal.

- With reference to Article 23 paragraph 3 of FIFA RSTP, which stipulates that the decision-making bodies of FIFA shall not hear any dispute if more than two years have elapsed since the facts leading to the dispute arose, the FIFA DRC established that it could not examine issues regarding amounts that allegedly fell due before 19 March 2022.

- With regards to the issue of whether the Player had just cause to terminate the Contract, the FIFA DRC first considered which amounts Boavista owed the Player at the time he unilaterally terminated the Contract. The FIFA DRC noted that the Player did not dispute Boavista's view that the salaries he referred to in his letter dated 22 May 2023 referred to monthly salaries for the previous two months, i.e., April and May 2023.

- The FIFA DRC noted that it could not take into consideration the Players argument that the salaries were paid after the deadlines stipulated in the CBA, as no copy of the CBA was submitted by either of the Parties.

- Boavista made a payment of EUR 91,400 on 29 May 2023 to the Player's bank account in the USA, and the amount was received by the Player two days later. The FIFA DRC found that the short time difference of two days corresponds to time necessary for the banking institutions to process the international transfer of the salaries and concluded that any breach was remedied by Boavista before the termination of the Contract, irrespective of the deadline given by the Player.

- With regards to the Player's arguments that the unilateral termination of the Contract also was based on Boavista's failure to pay taxes on behalf of the Player to Portuguese authorities, although the Contract stipulates that the agreed amounts are net, the FIFA DRC noted that this argument was raised late in the proceedings and that it was not an issue when the Contract was terminated. Further, the Player had failed to demonstrate that the notifications addressed to him by the Portuguese tax authorities were connected to Boavista's lack of payment of his salaries.

- Against this background, the FIFA DRC concluded that the Player did not have just cause to terminate the Contract.

- When determining the consequences of the Player's unjustified termination of the Contract, the FIFA DRC first established that the Player was entitled to the salaries outstanding at the time of the termination. Furthermore, the FIFA DRC stated that Boavista was entitled to compensation as stipulated in Article 17 paragraph 1 FIFA RSTP, and that the remaining contractual value, seen in connection with the value of the new employment contract with QPR, should serve as the basis for the determination of the amount of compensation for breach

of the Contract, and found that the Player had to pay Boavista EUR 1,287,000 as compensation.

- In accordance with Article 17 Paragraph 2 FIFA RSTP, the FIFA DRC found that QPR was jointly and severally liable for the payment of the aforementioned amount of compensation to Boavista.

33. The operative part of the Appealed Decision reads as follows:

"*1. The claim of the Claimant/Counter-Respondent, Boavista FC, is partially accepted.*

2. The First Respondent/Counter-Claimant, Reginald Jacob Cannon, must pay to the Claimant/Counter-Respondent EUR 1,287,000 as compensation for breach of contract without just cause plus 5% interest p.a. as from 22 June 2023 until the date of effective payment.

3. The Second Respondent, Queens Park Rangers FC, is jointly and severally liable for the payment of the aforementioned compensation.

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 First Respondent/Counter-Claimant shall be imposed with a restriction on playing in official matches up until the due amounts are paid. The overall maximum duration of the restriction shall be of up to six months on playing in official matches.

2. The Second 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.

3. 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 or the end of the six months respectively of the Second Respondent and the First Respondent/Counter-Claimant.

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

7. The counterclaim of the First Respondent/Counter-Claimant, Reginald Jacob Cannon, is partially accepted.

8. The Claimant/Counter-Respondent, Boavista FC, must pay to the First Respondent/Counter- Claimant the following amount(s):

- EUR 45,000 net as outstanding remuneration plus 5% interest p.a. as from 6 June 2023 until the date of effective payment;

- EUR 33,000 net as outstanding remuneration plus 5% interest p.a. as from 22 June 2023 until the date of effective payment.

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

10. 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 Claimant/Counter-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.

11. The consequences shall only be enforced at the request of the First Respondent/Counter- Claimant in accordance with art. 24 par. 7 and 8 and art. 25 of the Regulations on the Status and Transfer of Players.

12. Any further claims of any of the parties are rejected.

13. This decision is rendered without costs."

III. PROCEEDINGS BEFORE THE COURT OF ARBITRATION FOR SPORT

34. On 31 July 2024, the Appellants filed two separate Statements of Appeal with the Court of Arbitration for Sport ("CAS"), pursuant to Articles R47 and R48 of the CAS Code of Sports-related Arbitration (2023 edition) (the "Code") against the Appealed Decision. In their Statements of Appeal both Appellants nominated as arbitrator Professor Massimo Coccia, Attorney-at-law, Rome, Italy.

35. On 6 August 2024, the CAS Court Office invited the Parties to inform whether they agreed to consolidate the two proceedings initiated by the Appellants and docketed as CAS 2024/A/10638 (QPR's appeal) and CAS 2024/A/10771 (the Player's appeal).

36. On 8 August 2024, QPR informed the CAS Court Office that it agreed to consolidate the two proceedings.

37. On 16 August 2024, Boavista informed the CAS Court Office that it agreed to consolidate the two proceedings. In the same letter Boavista nominated as arbitrator Mr Efraim Barak, Attorney-at-law, Tel Aviv, Israel.

38. On 16 August 2024, the CAS Court office indicated that that the two cases were consolidated, pursuant to Article R52 of the CAS Code.

39. On 2 September 2024, after having been granted extensions further to Article R32 of the CAS Code, the Appellants filed two separate Appeal Briefs, in accordance with Article R51 of the CAS Code.

40. On 2 October 2024, the CAS Court Office, pursuant to Article R54 of the CAS Code and on behalf of the President of the CAS Appeals Arbitration Division, informed the Parties that the Arbitral Tribunal appointed to decide the present case was constituted as follows:

    President: Mr Espen Auberg, Attorney-at-law in Oslo, Norway;

    Arbitrators: Professor Massimo Coccia, Attorney-at-law, Rome, Italy;

    Mr Efraim Barak, Attorney-at-law, Tel Aviv, Israel.

41. On 14 October 2024, after having been granted extensions further to Article R32 of the CAS Code, the Respondent filed its Answer in accordance with Article R55 of the CAS Code.

42. On 22 October 2024, QPR requested that the present proceedings should be stayed for a minimum period of 6 months to allow for the implementation of any changes to the FIFA RSTP following the decision of the Court of Justice of the European Union ("CJEU") in Case C-650/22, FIFA v BZ (the "Diarra Case"). On the same day, the CAS Court Office invited the Player and Boavista to submit their respective positions on QPR's request.

43. Still on the same day, on 22 October 2024, the Player requested the stay of the present proceedings for a minimum period of 6 months, coinciding with QPR's request.

44. On 25 October 2024, the Respondent submitted its position on Appellants' request to stay the proceedings, stating that it objected to such requests.

45. On 25 October 2024, the CAS Court Office invited the Parties to file a further round of written submissions strictly limited to the matters of the Appellants' request for a stay of the proceedings and the implications of the Diarra Case.

46. On 13 November 2024, the Appellants filed a joint submission in relation to their request for a stay and the implications of the Diarra Case to this procedure.

47. On 26 November 2024, the Respondent filed its submission in relation to the Appellants' request for a stay and the implications of the Diarra Case to this procedure.

48. On 17 December 2024, the CAS Court Office informed the Parties that the Appellants' request for a stay of the proceedings was denied, and that the reasons of this decision would be communicated by the Panel in the final Award.

49. On 23 December 2024, the CAS Court Office informed the Parties that a hearing would be held at the CAS headquarters in Lausanne, Switzerland on 2 April 2025.

50. On 14 January 2025, the CAS Court Office issued an Order of Procedure and requested the Parties to sign it and return a copy to the CAS Court Office by 21 January 2025. The Order of Procedure was duly signed by the Parties and returned by QPR on 21 January 2025, by the Player on 31 March 2025 and by Boavista on 10 March 2025, respectively.

51. On 27 February 2025, following FIFA's issuing of a new version of FIFA RSTP coming into force on 1 January 2025 (the "FIFA RSTP Interim Regulations"), QPR requested the Panel to issue a summary award (the "Summary Award Request") confirming that, unless concluding that QPR induced the Player to breach the Contract, there was no legal basis upon which QPR could be liable to Boavista in relation to the Player's termination of the Contract, that paragraph 3 of the operative part of the Appealed Decision was unenforceable, and that QPR no longer needed to pursue its appeal of the Appealed Decision and had to be removed as a party to the present proceedings. QPR further requested that, in the event the Summary Award Request was rejected, the Panel refer the matter back to FIFA to determine the impact on this case of the CJEU's decision in the Diarra Case.

52. On 12 March 2025 the CAS Court Office informed the Parties that QPR's Summary Award Request and request for the Panel to refer the case back to FIFA were rejected, and that the reasons of this decision would be communicated by the Panel in the final Award.

53. On 20 March 2025, the CAS Court Office sent the Parties a tentative hearing schedule, which was later confirmed.

54. On 2 April 2025, a hearing was held in Lausanne, Switzerland. In addition to the Panel and CAS Counsel Mr Francisco Mateo Pavía, the following persons attended the hearing:

For the First Appellant:
Mr Stuart Baird, Counsel;
Mr Robert Danvers, Counsel;
Mr Dan Gorelov, Party Representative;
Mr Christian Nourry, Party Representative, by video.

For the Second Appellant:
Mr Reginald Jacob Cannon, Party;
Mr Fernando Veiga Gomes, Counsel;
Mr Francisco Côrte-Real, Counsel.

For the Respondent:
Mr João Lobão, Counsel;
Mr Ricardo Magalhães Tavares, Counsel;
Mr Nuno Ferreira, Witness, by videoconference;
Mr Miguel Cid, Witness, by videoconference.

55. The Panel heard two witnesses, Mr Ferreira and Mr Cid, who both were invited by the President of the Panel to tell the truth subject to the sanction for perjury under Swiss law. The Parties had full opportunity to examine and cross-examine the witnesses.

56. The Parties were given the full opportunity to present their cases, submit their arguments in closing statements and answer the questions posed by the Panel.

57. Before the hearing was concluded, the Parties expressly stated that they had no objection to the procedure adopted by the Panel and that their right to be heard had been respected.

IV. SUBMISSIONS OF THE PARTIES AND REQUESTS FOR RELIEF

58. This section of the Award does not contain an exhaustive list of the Parties' contentions. Its aim is to provide a summary of the substance of the Parties' main arguments. In considering and deciding upon the Parties' claims in this Award, the Panel has accounted for and carefully considered all of the submissions made and evidence adduced by the Parties, including allegations and arguments not mentioned in this section of the Award or in the discussion of the claims below.

A. QPR's Submissions

59. QPR's submissions, in essence, may be summarized as follows:

The Application of the CBA

- The FIFA DRC failed to properly consider the CBA in its decision. The FIFA DRC dismissed the Player's claim by stating that no specimen of the CBA was provided, despite the Player reproducing the relevant articles in his submissions. The Respondent never disputed the applicability of the CBA, including the three-working-day deadline for payment under its Article 43.

- Article 43 of the CBA states that players are entitled to terminate their employment contract with a club with just cause where: a club has failed to pay remuneration that has been overdue for 30 days; and the player gives advance notice with a deadline of three working days for the club to make payment of the outstanding amount; and the club fails to make payment of the outstanding amount within three working days of the notice.

- Boavista failed to pay the Player's salaries for April and May 2023 on time, as they were due on 5 April 2023 and 5 May 2024 respectively. The Player sent the

Default Notice on 22 May 2023, giving three working days for payment. However, Boavista only made a payment on 31 May 2024, well beyond the deadline. The FIFA DRC excused the delay by citing international bank transfers, but the Player argues this is unjustified, as the CBA's deadlines are binding for all Portuguese football clubs. In any case, as the default notice was sent on 22 May 2023, the deadline for making the payment was 25 May 2023, three working days after the default notice was sent. The payment was received by the bank on 31 May 2024, and, even taking into account that the payment was made via an international transfer, the payment was executed after the deadline on 25 May 2023.

- The late payment from Boavista did not invalidate the Player's right to terminate the Contract, as the deadline had already passed. The FIFA DRC's assertion that the late payment remedied the breach is incorrect, as it would undermine the purpose of Article 43 of the CBA. Additionally, Boavista's delay appears to have been due to financial difficulties, and the amount paid did not fully cover what was owed, further supporting the Player's claim for just cause in terminating the Contract.

- In any event, Boavista's late payment did not cover the full amount owed to the Player as Boavista had also failed to properly account for tax payable on behalf of the Player as set out in the Contract.

Breakdown of Trust Between the Player and Boavista

- The Player terminated the Contract due to Boavista's persistent failure to pay his salary on time, which led to a complete breakdown of trust. The termination was based on just cause under Article 14 of FIFA RSTP. Boavista repeatedly breached its obligation to pay the Player by the agreed deadline, forcing the Player to issue multiple notices of default over nearly three years. Despite warnings, Boavista continued its pattern of late payments without justification.

- FIFA and CAS jurisprudence establish that persistently late salary payments constitute just cause for termination. The Panel should consider Boavista's overall conduct, not just individual breaches. Prior cases confirm that repeated failures to pay on time, even over shorter durations, justify contract termination. Boavista's financial instability and history of registration bans further support the Player's decision, as there was no reasonable expectation of improvement.

The Player did not Accept the Respondent's Breaches

- The Player never accepted Boavista's persistent breaches of the Contract. The Player was not happy with Boavista's actions and warned them several times that he would be forced to take legal action if the breaches continued, which they ultimately did.

- After Boavista's late payment of the salary for April 2023, the fact that the Player took a reasonable period of time to obtain legal advice and consider his position

before electing to terminate the Contract does not support the contention that he had accepted that continuous late payment of his salary was appropriate. Nor does the short period of time between Boavista's late payment of the salary for April 2023, made on 31 May 2024, and the date of the Termination Letter, 21 June 2023, constitute acceptance of Boavista's breach.

Boavista has failed to pay the Player his net salary

- In addition to the points submitted above regarding Boavista's persistent breaches of the Contract and CBA and the late payment of the salary for April 2024, Boavista has also failed to pay the Player his full annual net salary as required by Section 3, Clause 1, of the Contract because Boavista has failed to account for deductions for income tax which the Player has subsequently been required to pay.

- The Contract clearly states that the salary to be paid to the Player is net, but the Player has been required to pay personal income tax by Portuguese tax authorities. The Player has therefore not received the net salary specified in the Contract.

- The Player received the first notice from Portuguese tax authorities requesting him to pay personal tax on 26 November 2022, 16 months before the claim was submitted to FIFA, and therefore within the deadline for filing a claim stipulated in Article 23 paragraph 3, FIFA RSTP, which stipulates that the decision-making bodies of FIFA shall not hear any dispute if more than two years have elapsed since the facts leading to the dispute arose.

Compensation

- QPR requests that CAS replaces the Appealed Decision with a new decision which confirms that the Player terminated the Contract with just cause, and that no compensation should be paid to Boavista. Instead, the Player should be awarded compensation for having terminated the Contract with just cause.

- Subordinately, if the Panel finds that the Player terminated the Contract without just cause, the compensation awarded to Boavista should be reduced. The FIFA DRC miscalculated compensation by using incorrect salary figures from the Player's contract with QPR. The FIFA DRC wrongly included earnings beyond the relevant period, inflating the final compensation amount.

- In accordance with CAS jurisprudence, compensation should not exceed actual losses suffered by Boavista. Given that Boavista saved on the Player's wages and did not replace him, no real financial loss incurred. Boavista failed to provide evidence of damages.

- The compensation awarded shall either be annulled or significantly reduced to reflect actual losses, if any, rather than an arbitrary calculation that unjustly enriches Boavista.

The Request for Stay and the implications of the Diarra Case

- In the Diarra Case, the CJEU found that certain provisions of the FIFA RSTP are unlawful and are contrary to Article 45 of the Treaty on the Functioning of the European Union (the 'TFEU'), which prohibits the restriction of the free movement of workers within the EU and/or Article 101 of the TFEU, which prohibits agreements between undertakings which have as their object or effect the restriction of competition in a given market.

- In particular, the CJEU found that Article 17 of the FIFA RSTP, insofar it concerns the calculation of damages for breach of contract and the automatic joint liability of a player's new club for damages payable by the player for a breach of contract without just cause, was unlawful. Article 17 of the FIFA RSTP is of significant importance to the present proceedings.

- In light of the Diarra case, FIFA has confirmed that it considers implementing changes to the FIFA RSTP in order to ensure its provisions are no longer unlawful.

- Until FIFA has updated the FIFA RSTP to ensure its provisions are not unlawful, the present proceedings should be stayed to ensure that the Panel may render a decision that is not based on provisions of the FIFA RSTP that have been found to be unlawful.

The Request for a Summary Award or to refer the matter back to FIFA

- Under Article 17 of the previous editions of FIFA RSTP, a player's new club was automatically jointly and severally liable for any compensation a player may be liable to pay to his former club as a result of terminating an employment contract with the former club without just cause. This is the only basis upon which QPR was a party to the proceedings before the FIFA DRC and, subsequently, in the appeal proceedings before the CAS.

- The Interim Regulations came into force on 1 January 2025, and state that new clubs are no longer automatically jointly and severally liable for the player's compensation and now will only be jointly and severally liable for payment of compensation awarded against a player if they are proven to have induced the player to breach the contract with his previous club.

- Following the amendments to the FIFA RSTP adopted in the Interim Regulations, there is no legal basis for QPR to remain liable to Boavista in relation to the Player's termination of the Contract. Consequently, QPR no longer needs to pursue its appeal of the Appealed Decision and can be removed as a party to the present proceedings.

- In the event the Panel rejects the Summary Award Request, the Panel should refer the matter back to FIFA to determine the impact on this case of the CJEU's decision in the Diarra Case.

60. On these grounds, QPR made the following request for relief:

"*1. this Appeal is admissible and well-founded; and*

2. the Appealed Decision is annulled with the exception of points 8 to 11 of its operative part (which shall remain fully valid and enforceable); and

3. the annulled part of the Appealed Decision is replaced with a new decision which declares that the Player terminated the Boavista Contract with just cause and therefore no compensation is payable to the Respondent by the Appellants; or

4. alternatively to para. 3, if the Player did not terminate the Boavista Contract with just cause, the annulled part of the Appealed Decision is replaced with a new decision which declares that the amount of compensation payable to the Respondent shall be reduced; and

5. The Respondent shall pay in full, or in the alternative, a contribution towards the costs and expenses, including the Appellants' legal costs and expenses, pertaining to these appeal proceedings before the CAS."

B. The Player's Submissions

61. The Player's submissions, in essence, may be summarized as follows:

<u>The termination of the Contract met the requirements of the CBA</u>

- In accordance with Article 43 of the CBA, a player is entitled to unilaterally terminate a contract, given that three requirements were met. Firstly, the club must fail to pay salaries for more than 30 days. Secondly, the player must give notice to the club and grant it three working days to remedy the breach. Thirdly, the club does not pay the overdue salaries within the deadline of three days.

- It is undeniable that, when the Default Notice was sent on 22 May 2023, Boavista had failed to pay salaries for more than 30 days, and that the Player, through the Default Notice, gave notice to Boavista to remedy the breach within three working days.

- Further, the third requirement was also met, as Boavista failed to make the payment within the deadline of three working days. As the Default Notice was sent on 22 May 2023, the deadline for making the payment was 25 May 2023. However, the payment was not made until 31 May 2023, seven working days after the Default Notice was sent.

<u>The Player had just cause to terminate the Contract</u>

- Further, Boavista has failed to pay the Player his full annual net salary as required in the Contract because Boavista has failed to account for deductions for income tax which the Player has subsequently been required to pay by Portuguese tax authorities. The Player has therefore not received the net salary specified in the

Contract, and Boavista breached the Contract, as it failed to pay the Player his net salaries.

- Boavista's persistent failure to pay the Player's salary on time led to a breakdown of trust between the two parties and caused the maintenance of the employment relationship to be impossible.

- Boavista repeatedly breached its obligation to pay the Player on time, forcing the Player to issue multiple warnings and notices to Boavista.

- FIFA RSTP and CAS jurisprudence show that late payment of salaries will constitute just cause for unilateral termination of a football player's contract.

- In the case at hand, Boavista had persistently breached its obligations to pay the Player's salaries on time for more than three years. Such constant delay in the payment of salaries is widely accepted as sufficient grounds for terminating a contract.

Compensation

- The Player should be awarded compensation for having terminated the Contract with just cause. The compensation should be calculated on the basis of the remaining salaries for the contractual period, whilst the Player's salaries with QPR for the corresponding period should be deducted. In addition, the amount the Player owes Portuguese tax authorities should be added.

- Should the Panel conclude that the Player terminated the Contract without just cause, the compensation awarded to Boavista should be reduced. Firstly, the amount the Player owes Portuguese tax authorities should be deducted. Further, in accordance with CAS jurisprudence, compensation awarded should reflect the losses suffered by Boavista. Boavista did not have to pay the Player's salaries and suffered no financial loss. Consequently, the compensation awarded shall be reduced.

The request for stay and implications of the Diarra Case

- The Player's position in relation to the Appellants' request for stay and implications of the Diarra Case coincides with the position of QPR.

62. On this basis, the Player made the following request for relief:

"*I. This Appeal is admissible and well-founded; and*

II. The Appealed Decision is annulled with exception of points 8 to 11 of its operative part (which shall remain fully valid and enforceable); and

III. The annulled part of the Appealed Decision is replaced with a New decision which declares that:

(a) The First Appellant terminated the Contract with just cause; and

(b) The Respondent is liable to pay compensation to the First Appellant as a result of the Appellant having terminated the Contract with just cause;

(c) The Respondent is liable to pay the outstanding taxes to be paid by the First Appellant to the Portuguese revenue;

(d) Interest is payable on such compensation; or

IV. Alternatively to paragraph VIII.III., if the First Appellant did not terminate the Contract with just cause, the annulled part of the Appealed Decision is replaced with a new decision which declares that the amount of compensation payable to the Respondent shall be reduced as determined by the Panel and reduced with the outstanding taxes to be paid by the First Appellant to the Portuguese revenue; and

V. The Respondent shall pay in full, or in the alternative, a contribution towards the costs and expenses, including the Appellant's legal costs and expenses, pertaining to these appeal proceedings before the CAS."

C. Boavista's Submissions

63. Boavista's submissions, in essence, may be summarized as follows:

The alleged unpaid salaries

- When the Player sent the Default Notice in May 2023, he claimed two monthly salaries were due, but did not specify which monthly salaries he referred to. At the time, only the monthly salaries due on 5 April 2023 and 5 May 2023, in the amount of EUR 45,000 each, were unpaid.

- The Club paid the two monthly salaries, in accordance with the Player's demand, on the third working day after the Default Notice was sent, on Monday 29 May 2023, *i.e.* within the deadline of three days. This payment was accepted by the Player. The payment was made by wire transfer from Boavista to the Player's bank account in the USA, in accordance with the Player's request. The Player's claim that he only received the payment on 31 May 2023 was due to the fact that the payment was processed in an international bank transfer. After this payment was made, all contractual obligations were fulfilled.

- When the Termination Letter was sent on 22 June 2023, no salaries were due. Since the Club at this point had paid the Player all the amounts claimed by the Player, there was no basis to justify the termination of the Contract.

- The Player's claim that Boavista has failed to account for deductions for income tax which the Player has subsequently been required to pay, is unsubstantiated and was never raised by the Player prior to the termination of the Contract.

- In accordance with Article 45 of CBA, the Player may not invoke late payment of salaries as just cause for termination of the Contract, since he in his subsequent

behaviour has shown that he does not consider these late payments to be disruptive to the working relations between the Player and Boavista.

- Consequently, there was no just cause for the Player to terminate the Contract.

Consequences of the unjustified termination of the Contract

- The Contract was terminated without just cause and, as a result, the Player shall pay compensation in accordance with Article 17 of FIFA RSTP.

- When the Player signed the QPR Contract in September 2023, QPR became jointly and severally liable for the Player's obligation to pay compensation to Boavista, pursuant to Article 17 paragraph 2 of FIFA RSTP.

- The compensation shall be calculated taking into account the remuneration to be paid to the Player until the end of the Contract if it had been fulfilled, and the corresponding remuneration in the QPR Contract, as held by the FIFA DRC in the Appealed Decision.

The Player's claim

- Subordinately, if the Panel holds that the Player terminated the Contract with just cause, the maximum compensation to be awarded to the Player is EUR 190,000. Any changes to the Player's salary at QPR cannot benefit the Player as he chose to terminate the QPR Contract.

Regarding QPR's Request for Stay and the implications of the Diarra Case

- CAS is based in Switzerland, a country that is not a member of the EU. QPR is a Football Club based in United Kingdom, a country that is not a member of the EU. The Player is a national of the USA, a country that is not a member of the EU.

- Under no circumstances shall EU law apply to this dispute and the parties to it.

- The judgements of the CJEU shall not be binding on any of the Parties or on CAS. The decision of the CJEU in the Diarra case is not applicable to the present litigation

- There is no reason why the present case should be suspended, nor is there any legal basis for it.

64. On this basis, Boavista made the following request for relief:

"*I. Boavista requests to the honourable Court of Arbitration of Sport to DISMISS the appeal lodge by the QPR and the PLAYER on the present procedure;*

II. Boavista requests to the honourable Court of Arbitration of Sport to CONFIRM the decision passed by the FIFA Tribunal on the employment-related dispute

concerning the player Reginald Jacob Cannon, REF. FPSD-13973, and consequently recognize that:

a. The Player breached without just cause the sport employment contract on 22 June 2024 consequently;

b. The Player is ordered to pay to the Boavista EUR 1,287,000 as compensation for breach of contract without just cause plus 5% interest p.a. as from 22 June 2023 until the date of effective payment;

c. Queens Park Rangers, is jointly and severally liable for the payment of the aforementioned compensation

III. To condemn the QPR and the Player to pay of the whole CAS Administration costs and the Arbitrator's fee;

IV. QPR and the PLAYER shall reimburse Boavista's legal fees in relation to this procedure in amount of EUR 20.000,00".

V. JURISDICTION

65. The Panel notes that the Appealed Decision was issued by the FIFA DRC. The jurisdiction of CAS derives from Article R47 of the CAS Code, which reads:

"*An appeal against the decision of a federation, association or sports-related body may be filed with CAS if the statutes or regulations of the said body so provide or if the parties have concluded a specific arbitration agreement and if the Appellant has exhausted the legal remedies available to it prior to the appeal, in accordance with the statutes or regulations of that body*."

66. Further, the jurisdiction of CAS derives from Article 50(1) of FIFA's Statutes (May 2024 Edition), as it determines as follows:

"*Appeals against final decisions passed by FIFA and its bodies shall be lodged with CAS within 21 days of receipt of the decision in question.*"

67. The jurisdiction of CAS is not contested by the Respondent and is further confirmed by the Order or Procedure duly signed by the Parties.

68. It follows that this CAS Panel has jurisdiction to adjudicate and decide on the present dispute.

VI. ADMISSIBILITY

69. The time limit for submitting a statement of appeal is 21 days from the receipt of the decision appealed against pursuant to Article R49 of the CAS Code and Article 50(1) of the FIFA's Statutes (May 2024 Edition). Both Statements of Appeal were filed by

the Appellants on 31 July 2024, *i.e.* 21 days after the FIFA DRC communicated the Appealed Decision to the Parties on 10 July 2024, hence within the time limit.

70. The appeals complied with all other requirements of Article R48 of the CAS Code.

71. It follows that both appeals are admissible.

VII. APPLICABLE LAW

72. Article R58 of the CAS Code provides as follows:

"*Law Applicable to the Merits. The Panel shall decide the dispute according to the applicable regulations and, subsidiarily, to the rules of law chosen by the parties or, in the absence of such a choice, according to the law of the country in which the federation, association or sports-related body which has issued the challenged decision is domiciled or according to the rules of law that the Panel deems appropriate. In the latter case, the Panel shall give reasons for its decision.*"

73. The Appealed Decision was issued by the FIFA DRC in accordance with Article 49, paragraph 2, of the FIFA Statutes, which provides as follows:

"*The provisions of the CAS Code of Sports-related Arbitration shall apply to the proceedings. CAS shall primarily apply the various regulations of FIFA and, additionally, Swiss law*."

74. Art. 8 of the Contract stipulates the following:

"*Cases and situations not provided for herein, and only these, shall be governed by the Regulations on the Status and Transfer of Players approved by FIFA and on a subsidiary basis by Portuguese Law and the Collective Labour Agreement approved by the Sindicato Nacional dos Jogadores Profissionais de Futebol and the Liga Portuguesa de Futebol Profissional*."

75. Therefore, at the explicit choice of the parties, the primary applicable law is the FIFA RSTP. Considering that the case at hand was submitted to the FIFA DRC on 8 March 2024, the Panel notes that the February 2024 edition of the FIFA RSTP is applicable, on the basis of the transitional provisions contained in Articles 26 and 29 of said FIFA Regulations.

76. Art. 14.1 of FIFA RSTP stipulates the following:

"*A contract may be terminated by either party without consequences of any kind (either payment of compensation or imposition of sporting sanctions) where there is just cause.*"

77. Such FIFA provision merely articulates a basic principle of contracts law, in general and as applied in many different legal systems, allowing a party to terminate an

agreement where there is just cause, regardless of what is the cause and as long as just cause is established.

78. However, the Panel notes that the dispute at hand concerns the unilateral termination of a contract, *inter alia*, on the basis of alleged outstanding salaries. In this regard, Article 14bis of FIFA RSTP is a specific article that regulates a player's right to unilaterally terminate his contract on the basis of outstanding salaries, however subject to certain pre-conditions to establish just cause, as follows:

"1. *In the case of a club unlawfully failing 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)***. *Alternative provisions in contracts existing at the time of this provision coming into force may be considered*" (emphasis added).

79. For the sake of this discussion, it is also important to remember that the Contract was signed between the parties in 2020, *i.e.* before the entrance into force of the FIFA RSTP 2024. Yet, the last sentence of art. 14 bis refers to "*[a]lternative provisions in contracts* ***existing at the time of this provision coming into force*** *may be considered*" (emphasis added), and not at the time of these Regulations coming into force. The provision as such was first introduce within the RSTP on 1 June 2018, before the Contract was signed.

80. Still in reference to Art. 14 bis RSTP, its paragraph 3 states as follows:

"*Collective bargaining agreements validly negotiated by employers' and employees' representatives at domestic level in accordance with national law may deviate from the principles stipulated in paragraphs 1 and 2 above. The terms of such an agreement shall prevail*."

81. In this regard, a collective bargaining agreement, the CBA, has indeed validly been negotiated by employers' (the Portuguese Professional Football League) and employees' (the Professional Football Players' National Union) representatives at domestic level.

82. There is a clear and important difference between Art. 14 bis FIFA RSTP, which requires granting a deadline of 15 days for a debtor to fully comply with the financial obligation, and Art. 43 of the Portuguese CBA, which grants a shorter period of only 3 days. In a way, the overall evaluation of both possible applicable legal sources that will apply to the circumstances of this case sends the parties into a vicious circle, since the primary applicable law (the RSTP) send the parties to apply as a prevailing source the CBA by means of paragraph 3 of Art. 14.bis.

83. Considering the overall above legal frameworks, consequently, the Panel finds that the CBA is applicable to the case at hand and shall prevail in case its provisions deviate from the corresponding provisions in FIFA RSTP, *i.e.* the rules stipulated in

Article 14bis, paragraphs 1 and 2, of FIFA RSTP. In concluding for the applicability of the 3-day notice period provided by the Portuguese CBA to the case at hand, the Panel finds support and comfort by the proven and uncontested fact that, at the time of their contractual relationship, both parties indeed were under the understanding that the shorter period of 3 days was the relevant one rather than the 15-day period provided by the FIFA RSTP.

84. With regards to the issue of which law shall apply subsidiarily, the Panel notes that whilst the Parties' choice of law, as stated in the Article 8 of the Contract, is Portuguese law, Article 49(2) of the FIFA Statutes (2024 edition) states that CAS "shall additionally", i.e. in addition to the primarily applicable law, apply Swiss law. As such, the Panel must decide if Portuguese law, as the choice of law as stipulated in the Contract, or Swiss law, as the indirect choice of law stipulated in the FIFA Statutes, shall apply subsidiarily.

85. This issue has been addressed by Professor Ulrich Haas in his article *Applicable law in football-related disputes: The relationship between the CAS Code, the FIFA Statutes and the agreement of the parties on the application of national law*, published in CAS Bulletin 2015/2, p. 14:

"*This view, which ignores the reference in Art. 66 (2) of the FIFA Statutes, is contradicted by the clear wording of Art. R58 of the CAS Code. In appeal arbitration proceedings this provision assumes that the federation regulations take precedence. Consequently, the rules and regulations of a federation also take precedence over any legal framework chosen by the parties – e.g. – in their contract. If, therefore, the federation rules provide that Swiss law is to be applied additionally (to the rules and regulations of FIFA) then this must be complied with by the Panel. To this extent the Swiss law referred to in Art. 66 (2) of the FIFA Statutes is part of the – according to Art. R58 of the CAS Code – mandatorily applicable rules and regulations of the federation*."

86. The Panel concurs with the considerations of Professor Haas and holds that Swiss law, as referred to in the FIFA Statutes, shall apply additionally, in case of any lacuna in the FIFA Regulations.

87. Applying these principles to the present matter, the dispute shall primarily be decided according to the applicable regulations, i.e. the various regulations of FIFA. The CBA shall prevail in case it deviates from FIFA RSTP Article 14bis paragraph 1 and 2. Swiss law shall be considered subsidiarily in case of lacuna in the various regulations of FIFA and the CBA's provisions corresponding to FIFA RSTP Article 14bis paragraph 1 and 2.

VIII. PRELIMINARY ISSUES

A. The Appellants' Request for Stay

88. On 22 October 2024, the Appellants requested the Panel to stay the present proceedings for a minimum period of six months, to allow for the implementation of any changes to the FIFA RSTP following the decision of the CJEU in the Diarra Case.

89. In this regard, Article R32 of the CAS Code provides, *inter alia*, as follows:

"*The Panel or, if it has not yet been constituted, the President of the relevant Division may, upon application on justified grounds, suspend an ongoing arbitration for a limited period of time*".

90. In other words, Article R32 of the CAS Code provides the Panel with discretion whether to stay an ongoing arbitration, if it can be established that there are "*justified grounds*".

91. Article R32 of the CAS Code does not specify the meaning of *justified grounds*. However, as held by the panel in CAS 2019/A/6594 (paragraph 196), "*a stay is to be granted only if this is in the interest of good administration of justice and procedural efficiency or […] if the decision depends on the outcome of other proceedings*".

92. With regards to the Panel's discretion to suspend an ongoing arbitration, the following is stated in RIGOZZI/HASLER, in ARROYO (Ed.), *Arbitration in Switzerland – The Practitioner's Guide*, 2018, p. 1465):

"*In exercising its discretion the Panel will balance the conflicting interests of the parties, in particular the right of access to justice, with due consideration to Equal treatment of the parties*"

93. In this regard, the Panel notes that the Respondent, on 25 October 2024, objected to the Appellants' request to suspend the proceedings.

94. The Appellants' request for suspension of the proceedings is based on an anticipated implementation of changes to the FIFA RSTP following the decision of the CJEU in the Diarra Case. Furthermore, although the Appellants request that the proceedings to be stayed for an initial period of six months, further stays of the proceedings may be requested after the initial six months, as it remains unclear whether and when FIFA would implement permanent changes to the FIFA RSTP and, if so, what would be the scope of application and time of implementation of such changes. Accordingly, accepting the Appellants' request for stay may lead to uncertainty with regards to when a suspension of the proceedings may be lifted, which may impact the Parties' right of access to justice.

95. The Appellants' request for a stay of the present proceedings is, in principle, a consequence of the fact that the CJEU, in the Diarra Case found that certain provisions

of Article 17 of the FIFA RSTP are unlawful and contrary to Articles 45 and 101 (1) of the TFEU, provisions that are significant to the present proceedings.

96. In this regard, the Panel notes that, in accordance with Article R58 of the CAS Code, the Panel has discretion to apply mandatory foreign law, hereunder EU Law, if it deems such application appropriate. Such a position is confirmed in CAS jurisprudence, for example in CAS 2022/A/9016 (paragraph 100 *et seq.*). Therefore, if the Panel finds that EU Law is applicable, the considerations of the CJEU in the Diarra case may be taken into account by the Panel when assessing the extent of Article 17 of FIFA RSTP.

97. Notwithstanding the above, as noted *supra* in Chapter VII, the February 2024 edition of the FIFA RSTP is applicable to the case at hand regardless of any changes FIFA may implement in future editions of the FIFA RSTP. As such, if FIFA decides to implement changes to the FIFA RSTP, which in principle is the basis for the Appellants' request for stay, it is the Panel understanding such changes to the FIFA RSTP will not have a retroactive effect. On the other hand, the Panel could very well apply EU law (which would prevail over FIFA rules) if it were to be persuaded that the circumstances of this case would warrant the application of EU freedom-of-movement law or competition law, which undoubtedly are rules of foreign mandatory law that must in principle be applied – if the required conditions are met – by an arbitral tribunal sitting in Switzerland through the reference to Article 19 of the Swiss Private International Law Act ("PILA"), as already done by other CAS panels (see *e.g.* CAS 98/200 and CAS 2022/A/9016). However, if this were the case, the Panel could apply EU law right away, without any need to wait for the new FIFA rules and to stay the arbitral proceedings.

98. Against this background, the Panel holds that the Appellants' request to suspend the proceedings must be rejected.

B. QPR's Summary Award Request/Request to refer the matter back to FIFA

99. On 27 February 2025, following FIFA's publication of the Interim Regulations which came into force on 1 January 2025, QPR requested the Panel to issue a summary award confirming, *inter alia*, that in accordance with the Interim Regulations, there was no legal basis upon which QPR could be liable to Boavista in relation to the Player's termination of the Contract.

100. QPR further requested that, in the event the Summary Award Request was rejected, the Panel should refer the matter back to FIFA to determine the impact on this case of the CJEU's decision in the Diarra Case.

101. The Panel notes that the FIFA RSTP Interim Regulations state as follows with regards to its application to pending cases:

"*29. Enforcement*

These regulations were approved by the Bureau of the FIFA Council on 22 December 2024 and come into force on 1 January 2025. They shall apply to cases pending

before the Football Tribunal at the time when they come into force and to any new case brought before the Football Tribunal as from 1 January 2025."

102. In other words, the Interim Regulations only apply to cases pending before the FIFA Football Tribunal, and not to cases that were already decided by the FIFA Football Tribunal and are now pending before the CAS. FIFA is assumed to know that there are many pending appeals at the CAS related to cases concerning Art. 17 RSTP that were decided by the FIFA Football Tribunal prior to the entry into force of the Interim Regulations. Therefore, one can reasonably assume that, when FIFA decided to mention explicitly only the Football Tribunal and not the CAS, it deliberately decided, with reason and purpose, to apply the Interim Regulations only to the cases pending before the Football Tribunal and not to the cases pending before the CAS. Further, as noted above, considering that the claim was submitted to the FIFA DRC on 8 March 2024, the February 2024 edition of the FIFA RSTP shall be considered applicable, on the basis of the transitional provisions contained in its Articles 26 and 29 of said FIFA Regulations.

103. As such, the FIFA RSTP Interim Regulations do not apply to the present proceedings. As QPR's request for a summary award, and the request to refer the matter back to FIFA, is solely based on the amendments in the FIFA RSTP Interim Regulations, the Panel holds that the said requests must be rejected.

IX. MERITS

A. The Main Issues

i. Preamble

104. The Panel notes that the case concerns an employment related dispute between a football player and a football club, more specifically whether the Player was entitled to unilaterally terminate the Contract with just cause. Furthermore, the Player and Boavista both claim to be entitled to compensation as a consequence of the unilateral termination of the Contract. QPR, as the Player's new club, was, in the Appealed Decision, held jointly responsible for the Player's unilateral termination of the Contract.

105. Consequently, the main issues to be resolved by the Panel are:

i. Did the Player have just cause to unilaterally terminate the Contract?

ii. What are the consequences of the Player's unilateral termination of the Contract?

106. Before turning to these issues, the Panel notes that the Parties have different views concerning the facts of the case. In this regard Article 8 of the Swiss Civil Code provides with respect to burden of proof that: "*Unless the law provides otherwise, each party shall prove the facts upon which it relies to claim its right*."

107. This principle has been applied in previous CAS awards, for example in the case CAS 2020/A/6796, where the panel stated as follows:

"*[I]n CAS arbitration, any party wishing to prevail on a disputed issue must discharge its burden of proof, i.e. it must meet the onus to substantiate its allegations and to affirmatively prove the facts on which it relies with respect to that issue. In other words, the party which asserts facts to support its rights has the burden of establishing them (…). The Code sets forth an adversarial system of arbitral justice, rather than an inquisitorial one. Hence, if a party wishes to establish some fact and persuade the deciding body, it must actively substantiate its allegations with convincing evidence*" (paragraph 98).

108. In this respect, pursuant to Article 8 of the Swiss Civil Code, it is the party that wishes to establish a fact that has the burden of proving the alleged fact that it relies its claim upon.

ii. Did the Player have just cause to unilaterally terminate the Contract?

109. The issue of whether the Player was entitled to unilaterally terminate the Contract must be assessed based on FIFA regulations, more specifically the FIFA RSTP, February 2024 edition, seen in connection with the CBA.

110. In the Termination Letter sent via email on 22 June 2023, the Player invoked persistent late payment of salaries which led to an irretrievable breakdown in trust as the reason for his unilateral termination of the Contract.

111. The unilateral termination of a football player's contract is regulated in Articles 14 and 14bis of the FIFA RSTP.

112. Articles 14 and 14bis of the FIFA RSTP were already quoted in this award when dealing with the question of applicable law. Yet, for easy reference and in the context of the present discussion the articles are hereby quoted again. The Articles read as follows:

Article 14:

"*Terminating a contract with just cause*

1. *A contract may be terminated by either party without consequences of any kind (either payment of compensation or imposition of sporting sanctions) where there is just cause.*
2. *Any abusive conduct of a party aiming at forcing the counterparty to terminate or change the terms of the contract shall entitle the counterparty (a player or a club) to terminate the contract with just cause.*"

Article 14bis:

"*Terminating a contract with just cause for outstanding salaries*

1. *In the case of a club unlawfully failing 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). Alternative provisions in contracts existing at the time of this provision coming into force may be considered.*
2. *For any salaries of a player which are not due on a monthly basis, the pro-rata value corresponding to two months shall be considered. Delayed payment of an amount which is equal to at least two months shall also be deemed a just cause for the player to terminate his contract, subject to him complying with the notice of termination as per paragraph 1 above.*
3. *Collective bargaining agreements validly negotiated by employers' and employees' representatives at domestic level in accordance with national law may deviate from the principles stipulated in paragraphs 1 and 2 above. The terms of such an agreement shall prevail.*"

113. In this regard, the Panel notes that a player will always have just cause to unilaterally terminate an employment contract based on Article 14bis, para. 1, of the FIFA RSTP, providing that two conditions are met. Firstly, the club must unlawfully fail to pay the player at least two monthly salaries. Secondly, the player will need to "*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)*." As explained above, in this case the 15-day notice period is reduced to 3 days due to the Portuguese CBA, applicable through the reference found in para. 3 of Article 14bis.

114. Moreover, a player's unilateral termination of a contract due to outstanding salaries can also be assessed based on Article 14, paragraph 1, of FIFA RSTP. In this regard, the FIFA RSTP Commentary (2023 edition) states as follows (page 152):

"*Where both preconditions were met, the DRC has consistently concluded that the player in question had just cause to prematurely terminate their contract based on article 14bis. Where the preconditions are not met, article 14bis does not apply; in such circumstances the DRC may nonetheless find that the termination was made with just cause within the scope of article 14, or consider that there was no just cause for the termination of the contract*."

115. The Panel will first assess whether the Player had just cause to terminate the Contract, pursuant to Article 14 of FIFA RSTP, following on the late salary payments from Boavista.

116. Regarding the Appellants' claim that Boavista has failed to pay the Player his net salary as stipulated in the Contract, the Panel notes that the Appellants have the burden of proof in establishing that Boavista has failed to pay to the Player his net salaries.

117. In this regard, the Appellants have referred to notifications from Portuguese tax authorities, as the Player has been required to pay tax to Portuguese tax authorities.

118. However, the Panel holds that this claim remains largely unsubstantiated. In particular, the Appellants have failed to demonstrate that Boavista failed to pay sufficient tax in relation to the Player's salaries, or that the notifications addressed to the Player by the Portuguese tax authorities were connected to Boavista's alleged failure to pay sufficient tax in relation to the Player's salaries.

119. As there are no indications that that Boavista failed to pay sufficient tax in relation to the Player's salaries, or that the notifications addressed to the Player by the Portuguese tax authorities are connected to Boavista's alleged lack of payment of the Player's salaries, the Panel concludes that the Appellants have failed to meet the burden of proof in establishing that Boavista has failed to pay to the Player his net salaries.

120. Consequently, whether the Player had just cause to terminate the Contract must be assessed solely on the basis of the late payments of salaries.

121. Although late payments of salaries in general will constitute a breach of a club's contractual obligations, it must be considered on a case-to-case basis whether the late payments are significant enough for a player to terminate a contract with just cause pursuant to Article 14 paragraph 1 of the FIFA RSTP.

122. Even tough appearing in various articles of the FIFA RSTP, the concept of "just cause" is not defined therein. However, it has often been analysed by CAS panels, and whether a club's contractual breach constitutes just cause must be assessed taken into consideration CAS jurisprudence.

123. In CAS 2015/A/4046 & 4047 the panel stated as follows (paragraph 98):

"*Under Swiss law, such a "just cause" exists whenever the terminating party can in good faith not be expected to continue the employment relationship (Article 337 para. 2 CO). The definition of "just cause", as well as the question whether "just cause" in fact existed, shall be established in accordance with the merits of each particular case (ATF 127 III 153 consid. 1 a). As it is an exceptional measure, the immediate termination of a contract for "just cause" must be accepted only under a narrow set of circumstances (ibidem). Only a particularly severe breach of the labour contract will result in the immediate dismissal of the employee, or, conversely, in the immediate abandonment of the employment position by the latter. In the presence of less serious infringement, an immediate termination is possible only if the party at fault persisted in its breach after being warned (ATF 129 III 380 consid. 2.2, p. 382). The judging body determines at its discretion whether there is "just cause" (Article 337 para. 3 CO)."*

124. In CAS 2006/A/1180, the panel stated as follows (paragraph 26):

"*The non-payment or late payment of remuneration by an employer does in principle - and particularly if repeated as in the present case - constitute "just cause" for termination of the contract (ATF 2 February 2001, 4C.240/2000 no. 3 b aa; CAS 2003/O/540 & 541, nonpublic award of 6 August 2004); for the employer's payment obligation is his main obligation towards the employee. If, therefore, he fails to meet this obligation, the employee can, as a rule, no longer be expected to continue to be bound by the contract in future. Whether the employee falls into financial difficulty by reason of the late or non-payment, is irrelevant. The only relevant criteria is whether the breach of obligation is such that it causes the confidence, which the one party has in future performance in accordance with the contract, to be lost. This is the case when there is a substantial breach of a main obligation such as the employer's obligation to pay the employee. However, the latter applies only subject to two conditions. Firstly, the amount paid late by the employer may not be "insubstantial" or completely secondary. Secondly, a prerequisite for terminating the contract because of late payment is that the employee must have given a warning. In other words, the employee must have drawn the employer's attention to the fact that his conduct is not in accordance with the contract (see also CAS 2005/A/893; CAS 2006/A/1100, marg. no. 8.2.5 et seq.).*"

125. The Panel concurs with the considerations of the panels in the abovementioned cases and holds that a player's unilateral termination of a contract shall be limited to situations where a club severely breaches its contractual obligations in a manner that leads to a serious breach of confidence and, consequently, that the player could not reasonably expect to continue his employment relationship with the club. Furthermore, an employer's main obligation towards its employees is to pay salaries. Sporadic and minor delays and non-payments that are not significant seen in connection with the contractual value will normally not constitute just cause for termination. However, should the violation be considered material, repetitive and persisting for a long time, or seen in connection with other violations, then the breach of a player's contract might well reach such a level that the player is entitled to terminate the contract unilaterally with just cause.

126. Consequently, the Panel must determine whether Boavista's persistent failure to pay the Player's salaries on time constitutes a breach of its contractual obligations so severe that the Player could not reasonably have been expected to continue his employment relationship with Boavista.

127. It is undisputed that Boavista, as stipulated in the Contract, for the Football Seasons 2020/2021, 2021/2022 and 2022/2023 was obliged to pay to the Player salaries in 10 monthly instalments per year, payable by the 5th of each month.

128. However, Boavista failed to pay the Player's salaries on time already from the start of the employment relationship. Boavista persistently paid the Player's salaries late. During the Player's and Boavista's employment relationship, 28 of 29 salary payments from Boavista were paid late, between 5 and 98 days after their respective due dates.

129. On three occasions, the Player sent Boavista default notices requesting the payment of outstanding salaries. On 9 July 2021, the Player sent Boavista a default notice requesting the payment of two monthly salaries, which subsequently were received by the Player on 14 July 2021. On 6 March 2023 the Player sent Boavista a new default notice requesting the payment of three monthly salaries, which subsequently were received by the Player on 10 March 2023. On 22 May 2023, the Player sent Boavista a default notice requesting the payment of two salaries, which subsequently were received by the Player on 1 June 2023.

130. The Panel holds that the three default notices sent by the Player clearly constituted a multiple warning to Boavista, which expressed the Player's clear stance that he did not accept that his salaries were constantly paid late.

131. Although Boavista, following these default notices, paid the outstanding salaries specified in the said default notices, it failed to honour the Player's request to start paying his salaries on time. On the contrary, Boavista continued to persistently pay the Player's salaries late, and during 2023 all five monthly salaries until May 2023 were paid late, and only after the Player sent Boavista default notices requesting Boavista to pay them. Furthermore, even after the last default notice, Boavista continued to withhold the Player's salaries, as the salary that was due on 5 June 2023 was never paid.

132. The practice established by Boavista during 2023 implied that the Player could only expect to be paid his salaries after having sent default notices.

133. Considering all the above circumstances, the Panel holds that Boavista's persistent failure to pay the Player's salaries on time, seen in connection with the fact that the salary payments regularly were made many weeks after their due dates, cannot be considered as insignificant. The Panel concurs with the Player, who on three occasions clearly expressed that he did not accept late salary payments, that Boavista's conduct constituted a severe breach of its contractual obligations, to such an extent that the Player could not reasonably have been expected to continue his employment relationship with Boavista.

134. The fact that the Player did not terminate his contract earlier, although he could have done it, cannot and should not establish a presumption to the benefit of Boavista that the Player accepted such conduct. Not only the opposite had to be clear to Boavista due to the letters sent by the Player, but Boavista should have been aware and must be considered as being aware of the fact that, in adopting such persistent conduct, the Player would always have the right to terminate the Contract. The Club, in such circumstances, takes the risk of bearing the consequence of such termination at the time in which the Player will decide that "enough is enough" and he is not willing anymore to maintain the contractual relations.

135. Against this background, the Panel holds that, when the Termination Letter was sent on 22 June 2023, the conditions for the Player's unilateral termination of the Contract stipulated in Article 14 of the FIFA RSTP were fulfilled.

136. Consequently, the Panel finds that the Player had just cause to terminate the Contract on 22 June 2023 on the basis of Article 14. Accordingly, the Panel needs not analyse whether the Player also had just cause to terminate the Contract under Article 14bis.

iii. What are the consequences of the Player's unilateral termination of the Contract?

137. Having determined that the Player had just cause to terminate the Contract, it is now up to the Panel to determine the consequences thereof.

138. Firstly, in accordance with the principle of *pacta sunt servanda*, the Player is entitled to the amount owed to him by Boavista at the time he unilaterally terminated the Contract. In this regard, the Panel notes that, the FIFA DRC, in the Appealed Decision, concluded that Boavista was liable to pay to the Player the total amount of EUR 78,000 as outstanding remuneration, corresponding to the monthly salary for May 2023 in the amount of EUR 45,000 net and *pro rata* monies until 22 June 2023 in the amount of EUR 33,000 net and that this part of the decision has not been appealed by any of the Parties. As such, this operative part of the Appealed Decision is already final and binding upon the Parties.

139. Secondly, the Player is in principle entitled to compensation as he terminated the Contract with just cause.

140. In the Contract, the Parties have not regulated how compensation for the Player's unilateral termination of the Contract with just cause shall be calculated. The compensation for breach of the Contract to be paid to the Player by Boavista is therefore to be determined in accordance with Article 17 (1) of the FIFA RSTP, which provides as follows:

"*Consequences of terminating a contract without just cause*

The following provisions apply if a contract is terminated without just cause:

1. In all cases, the party in breach shall pay compensation. Subject to the provisions of article 20 and Annexe 4 in relation to training compensation, and unless otherwise provided for in the contract, compensation for the breach shall be calculated with due consideration for the law of the country concerned, the specificity of sport, and any other objective criteria. These criteria shall include, 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, the fees and expenses paid or incurred by the former club (amortised over the term of the contract) and whether the contractual breach falls within a protected period.

Bearing in mind the aforementioned principles, compensation due to a player shall be calculated as follows:

i. In case the player did not sign any new contract following the termination of his previous contract, as a general rule, the compensation shall be equal to the residual value of the contract that was prematurely terminated;

ii. In case the player signed a new contract by the time of the decision, the value of the new contract for the period corresponding to the time remaining on the prematurely terminated contract shall be deducted from the residual value of the contract that was terminate early (the "Mitigated Compensation". Furthermore, and subject to the early termination of the contract being due to overdue payables, in addition to the Mitigated Compensation, the player shall be entitled to an amount corresponding to three monthly salaries (the "Additional Compensation"). In case of egregious circumstances, the Additional Compensation may be increased up to a maximum of six monthly salaries. The overall compensation may never exceed the rest value of the prematurely terminated contract.

iii. Collective bargaining agreements validly negotiated by employers' and employees' representatives at domestic level in accordance with national law may deviate from the principles stipulated in the points i. and ii. above. The terms of such an agreement shall prevail."

141. The Panel notes that, although the heading of Article 17 of the FIFA RSTP suggests that it only applies to situations where a contract has been unilaterally terminated *without* just cause, it also applies to situations where a contract has been unilaterally terminated *with* just cause, as constantly stated in CAS jurisprudence (see for example CAS 2020/A/6727, paragraphs 232 *et seq.*).

142. Article 17, paragraph 1, of the FIFA RSTP provides a clear method of calculation whenever compensation is due to a player. In general, if a player has not signed with a new club, the player shall be entitled to an amount equalling the remuneration for the remainder of the contract, as if such contract had been performed until its expiry. If the player has signed a contract with a new club, these salaries shall be deducted from the compensation.

143. The positive difference between the value of the old contract and the new contract in the corresponding time frame, is defined as "*mitigated compensation*". In addition to the mitigated compensation, the player will automatically be entitled to three months´ salary, defined as "*additional compensation*". Moreover, if the player can establish egregious circumstances, the additional compensation may be increased from three up to a maximum of six monthly salaries, although the overall compensation may never exceed the remaining value of the prematurely terminated contract.

144. The salaries and other remunerations for the remainder of the Contract consist of the following:

- EUR 12,000 payable on 5 July 2023 (pro rata salary for June 2023);
- EUR 500,000 payable for the Football Season 2023/2024;
- EUR 550,000 for the Football Season 2024/2025.

145. In other words, the residual value of the Contract amounts to EUR 1,062,000.

146. After the termination of the Contract, the Player signed a new employment contract with QPR for the term 25 September 2023 until 30 June 2027, in which the Player was, *inter alia,* entitled to a salary of GBP 180,000 for the season 2023/2024 and GBP 550,000 for the season 2024/2025. The total salary the Player was due to receive under the contract with QPR, for the timeframe corresponding to the remaining term stipulated in the contract with Boavista, was GBP 730,000.

147. Pursuant to Article 17 (1) (ii) of the FIFA RSTP, the remuneration under the new employment contract with QPR shall, in principle, be deducted when calculating the compensation due to the Player.

148. In August 2024, the Player and QPR decided to mutually terminate the Player's employment contract with QPR.

149. With regards to QPR and the Player's decision to mutually terminate their agreement, the Panel notes that a player has a duty to mitigate his losses, as described in the FIFA RSTP Commentary (2023 edition) (page 184):

"*The duty to mitigate losses should not be considered satisfied if, for example, the player deliberately fails to look for a new club, if they unreasonably refuse to sign an employment contract that would satisfy this duty, or if, when faced with several different options, they deliberately opt to sign a contract with worse financial conditions without a valid reason. Nevertheless, it remains the club's responsibility to prove that the player intentionally failed to look for new employment opportunities or refused to sign other appropriate employment contracts*."

150. In this respect, the Panel holds that the Player's consent to terminate his contract with QPR constitutes a failure to mitigate his losses, and that the total salary for the timeframe corresponding to his contract with Boavista that he would have received from QPR, had the contract not been mutually terminated, must be deducted when calculating the compensation in accordance with Article 17 of FIFA RSTP.

151. Consequently, pursuant to Article 17 (1) (ii) of the FIFA RSTP, the remuneration under the new employment contract with QPR that shall be deducted from the compensation, amounts to GBP 730,000, which corresponds to EUR 875,000.

152. The mitigated compensation thus amounts to EUR 187,000, calculated in accordance with Article 17 (1) (ii) of the FIFA RSTP, corresponding to the residual value of the Contract (i.e. EUR 1,062,000) minus the value of the new contract signed between the Player and QPR (i.e. EUR 875,000).

153. In addition, also in accordance with Article 17 (1) (ii) of the FIFA RSTP, the Player is entitled to three monthly salaries as "*additional compensation*". In this regard, the Contract stipulates that amounts payable to the Player vary slightly from year to year. To determine the amount that should be considered as a monthly wage, in relation to Article 17 (1) (ii) of the FIFA RSTP, the Panel holds that the monthly salary must be calculated over the contractual period. The average monthly wage was EUR 35,775

(EUR 2,075,000 over 58 months), and as such, the Player is entitled to EUR 107,325, corresponding to three monthly wages, as additional compensation.

154. Consequently, the total amount of compensation the Player is entitled to, following his unilateral termination of the Contract with just cause, is EUR 294,325 (EUR 187,000 as mitigated compensation and EUR 107,325 as additional compensation).

155. The Panel observes that the Player requests interest to be awarded on the amounts owed to him by Boavista. Interest rate is not regulated in the Contract, or in any regulations referred to by the Parties.

156. Article 73 of the Swiss Code of Obligations provides as follows:

"*Where an obligation involves the payment of interest but the rate is not set by contract, law or custom, interest is payable at the rate of 5% per annum*".

157. The interest rate defined in the abovementioned Article coincides with the interest awarded to the Parties in the Appealed Decision.

158. Boavista has not objected to application of this interest rate. Therefore, the Panel concludes that an interest rate of 5% per annum over the amount of compensation shall be awarded to the Player.

B. Conclusion

159. Based on the foregoing findings, the Panel holds that:

- The Appellants' claim that Boavista is liable to pay the outstanding taxes to be paid by the Player to the Portuguese tax authorities is dismissed.

- The Player had just cause to unilaterally terminate the Contract.

- The Player is entitled to EUR 294,325 as compensation as a result of the termination of the Contract with just cause.

- The Player is awarded an interest rate of 5% per annum over the amount of compensation awarded to the Player to be calculated from date of the termination and until the payment.

- The portion of the Appealed Decision ordering (i) the Player to pay to Boavista EUR 1,287,000 as compensation for breach of contract without just cause, plus 5% interest p.a., and (ii) QPR to be jointly and severally liable for the payment of said compensation, is hereby annulled.

160. As the Panel reached the conclusion that the Player terminated the Contract *with* just cause, the CJEU jurisprudence – as set out in the Diarra Case, which dealt with the issue of a player's termination of contract *without* just cause – is of no relevance to the case at hand, and the Panel needs not analyze the potential application of EU freedom-of-movement law or competition law to the facts of this case.

X. COSTS

(…)

ON THESE GROUNDS

The Court of Arbitration for Sport rules that:

1. The appeal filed by Queens Park Rangers Football Club against the decision rendered on 27 June 2024 by the Dispute Resolution Chamber of FIFA is upheld.

2. The appeal filed by Reginald Jacob Cannon against the decision rendered on 27 June 2024 by the Dispute Resolution Chamber of FIFA is partially upheld.

3. The decision rendered on 27 June 2024 by the Dispute Resolution Chamber of the *Fédération Internationale de Football Association* is annulled, except for points 7 to 11 of its operative part, which shall remain valid and enforceable.

4. Boavista Futebol Clube must pay to Reginald Jacob Cannon, on top of the amount pursuant to point 8 of the operative part of the Appealed Decision, EUR 294,325 net as compensation for breach of contract, plus 5% interest p.a. as from 22 June 2023 until the date of effective payment.

5. (…).

6. (…).

7. (…).

8. (…).

9. All other and further motions or requests for relief are dismissed.

Seat of arbitration: Lausanne, Switzerland
Date: 3 July 2025

THE COURT OF ARBITRATION FOR SPORT

Espen Auberg
President of the Panel

Massimo Coccia
Arbitrator

Efraim Barak
Arbitrator