CAS 2024/A/11078 Alvaro Adriano Teixeira Pacheco v. Vasco da Gama Sociedade Anônima Do Futebol

CAS 2024/A/11079 José Miguel Carvalho Teixeira v. Vasco da Gama Sociedade Anônima Do Futebol

CAS 2024/A/11081 Pedro Valdemar Vasconcelos Pinto da Cunha Teixeira v. Vasco da Gama Sociedade Anônima do Futebol

ARBITRAL AWARD

rendered by the

COURT OF ARBITRATION FOR SPORT

sitting in the following composition:

Sole Arbitrator: Mr Giulio Palermo, Attorney-at-Law, Geneva, Switzerland

in the arbitration between

Alvaro Adriano Teixeira Pacheco, Portugal

Appellant in CAS 2024/A/11078

José Miguel Carvalho Teixeira, Portugal

Appellant in CAS 2024/A/11079

Pedro Valdemar Vasconcelos Pinto da Cunha Teixeira, Portugal

Appellant in CAS 2024/A/11081

All represented by Mr Pedro Macieirinha, Attorney-at-law in Vila Real, Portugal

Appellants

and

Vasco da Gama Sociedade Anônima do Futebol, Brazil

Represented by Ms Bianca Moraes Reis, Mr Nicolas Yan Fraga, Mr Rhyan Matheus Santos Ribeiro and Mr Jean Eduardo Batista Nicolau, Attorneys-at-law in São Paulo, Brazil.

Respondent

I. THE PARTIES

1. Mr Alvaro Adriano Teixeira Pacheco (the "**1st Appellant**") is a Portuguese national and the former head coach of the Brazilian football club Vasco da Gama Sociedade Anônima do Futebol (the "**Respondent**").

2. Mr José Miguel Carvalho Teixeira (the "**2nd Appellant**") is a Portuguese national and a former assistant coach for the Respondent.

3. Mr Pedro Valdemar Vasconcelos Pinto da Cunha Teixeira (the "**3rd Appellant**") is a Portuguese national and a former assistant coach for the Respondent.

4. The 1st, 2nd and 3rd Appellant (the "**Appellants**") are represented in the present proceedings by Mr Pedro Macieirinha (the "**Appellants' Counsel**").

5. The Respondent is a Brazilian football club affiliated with the Confederação Brasileira de Futebol. The Respondent is represented by Ms Bianca Moraes Reis, Mr Nicolas Yan Fraga, Mr Rhyan Matheus Santos Ribeiro and Mr Jean Eduardo Batista Nicolau (the "**Respondent's Counsel**").

6. The Appellants and the Respondent are jointly referred to as the "**Parties**", with each of them being referred to individually as a "**Party**".

II. FACTUAL BACKGROUND

7. This section provides a summary of the main relevant facts and arguments based on the Parties' written submissions, oral pleadings, and evidence. While the Sole Arbitrator has considered all facts, legal arguments and evidence submitted by the Parties, he refers in the present Award only to what he considers necessary to explain his reasoning.

8. Exhibits filed by the Appellants will be referenced below with the indication "**A1**", "**A2**" and "**A3**" for the 1st, 2nd and 3rd Appellant respectively. Exhibits filed by the Respondent will be referenced with the indication "**R**".

9. This dispute concerns termination fees allegedly owed to the Appellants by the Respondent, following the latter's termination of the employment relationship between the Parties on 21 June 2024, without just cause.

10. In particular, the Appellants request the annulment of prior decisions rendered by the Players' Status Chamber ("**PSC**") of the FIFA Football Tribunal which had denied such fees, and the *de novo* adjudication of the underlying dispute by the CAS.

11. The Parties' contractual relationship began on 16 May 2024, when the 1st Appellant entered into a Pre-Employment Contract with the Respondent (the "**Pre-Employment Contract**") (Exhibits A1-1, A2-1, A2-3).

12. Article 1.2 of the Pre-Employment Contract stipulated "*remuneration*", due not only to the 1st Appellant himself, but also to "*his staff*"; this remuneration amounted to

EUR 850,000 net until 31 December 2024, and an additional amount of EUR 1,400,000 in case of extension of the Parties' contractual relationship (which eventually never occurred).

13. On 20 May 2024, each of the three Appellants signed with the Respondent an "*Individual Employment Contract*" (Exhibit A1-2 for the 1st Appellant, Exhibit A2-2A for the 2nd Appellant, and Exhibit A1-12A for the 3rd Appellant; these contracts shall be referred to as "**Employment Contract 1**", "**Employment Contract 2**" and "**Employment Contract 3**" respectively – collectively as the "**Employment Contracts**").

14. Pursuant to Article 1.5 of all three Employment Contracts, the Appellants' period of employment would begin on 20 May 2024 and end on 31 December 2024.

15. For the 1st Appellant, pursuant to Articles 2.2 and 2.3 of Employment Contract 1, the remuneration would consist in a "*gross monthly salary of R$ 443,695.00 (four hundred and forty-three thousand, six hundred and ninety-five reais)*", an additional *"gross and monthly amount of R$ 49,299.00 (fortynine thousand, two hundred and ninety-nine reais)*", and a "*salary advance*" of "*EUR 50,000.00 (fifty thousand euros) net/net*".

16. For the 2nd Appellant, pursuant to Article 2.2 of Employment Contract 2, the remuneration would consist in a "*gross monthly salary of R$ 48,739.00 (forty-eight thousand seven hundred and thirty-nine reais), as well as gross monthly remuneration increases of R$ 5,415.00 (five thousand four hundred and fifteen reais)".*

17. For the 3rd Appellant, pursuant to Article 2.2 of Employment Contract 3, the remuneration would consist in a "*gross monthly salary of R$ 80,578.00 (eighty thousand, five hundred and seventy-eight reais) per month, as well as a gross and monthly salary increases of R$ 8,953.00 (eight thousand, nine hundred and fifty-three reais) per month*".

18. On 21 June 2024, the Respondent informed the Appellants and additional members of the coaching staff that it had decided to "*proceed with the early termination, without just cause and with immediate effect, of the respective employment contracts entered into with each of*" them (Exhibits A1-15; A2-15; A3-15).

19. On 24 June 2024, the Respondent sent to the Appellants "*documents to adjust payment for the termination of coach Alvaro Pacheco and his staff*" (Exhibits A1-16; A2-16; A3-16).

20. On 25 June 2024, the Appellants sent their suggestions on the Respondent's documents, with the Respondent sending its own counter-suggestions to the Appellants on the same day (Exhibits A1-16; A2-16; A3-16).

21. On 12 July 2024, the Appellants requested that the following sums be paid to them (Exhibits A1-17; A2-17; A3-17):

    (i) To the 1st Appellant: "*i. Salary difference between the amount owed and the amount actually paid, for the days worked in May 2024: Eur.: 1,408.47 net*; […] *ii. Wage difference between the amount owed and the amount actually paid for the days*

worked in June 2024: Eur.: 20,868.39 net; […] *iii. Housing allowance for the month of June 2024: Eur.: 20,000.00;* […] *iv. Compensation for unlawful dismissal without just cause: Eur.: 765,438.92 net*; […] *which, all in all. amounts to a total of Eur.: 787,715.78 (SEVEN HUNDRED AND EIGHTY-SEVEN THOUSAND. SEVEN HUNDRED AND FIFTEEN EUROS AND NINETY-TWO CENTS) net to date, plus the amount of RS.: 20.000.00 (TWENTY THOUSAND BRAZILIAN REAIS)*".

(ii) To the 2nd Appellant: "*i. Salary difference between the amount owed and the amount actually paid, in relation to the days worked in June 2024: Eur.: 2,565.61 net;* […] *ii. Difference between the amount of housing allowance owed and the amount of housing allowance actually paid, for the month of June 2024: Eur.: 2,544.62;* […] *which, all in all, to date, amounts to a total of Eur.: 2,565.61 (TWO THOUSAND, FIFTY FIVE EUROS AND SIXTY ONE CENTS) net, plus the amount of Eur.: 2. 544.62 (TWO THOUSAND, FIFTY-FOUR BRAZILIAN REAIS AND SIXTY-TWO CENTS), as well as the entire amount withheld by Vasco da Gama SAF from the worker as FGTS, relating to the months of May and June 2024, and not delivered to the Ministry of Labour and Employment*".

(iii) To the 3rd Appellant: "*i. Salary difference between the amount owed and the amount actually paid, for the days worked in June 2024: Eur.: 3,866.47 net;* […] *ii. Difference between the amount of housing allowance owed and the amount of housing allowance actually paid, for the month of June 2024: Eur.: 4,602.71;* […] *which, all in all, to date, amounts to the total sum of Eur.: 3,866.47 (THREE THOUSAND. EIGHT HUNDRED AND SIXTY SIX EUROS AND QUARTEEN AND SEVEN CENTS) net, plus the sum of RS.: 4,602.71 (FOUR THOUSAND. SIX HUNDRED AND TWO BRAZILIAN REAIS AND SEVENTY ONE CENTS)*".

22. On 15 July 2025, the 1st Appellant signed an employment contract with the Saudi Arabian club Al-Orobah, valid from 15 July 2024 to 14 June 2025, and entitling him to a monthly salary of USD 76,373.64 as well as a sign-on fee of USD 300,000 (1st Appellant's Appeal Brief, para. 164, not contested by the Respondent).

23. On the same day, the 2nd Appellant signed a contract with the same club for the same period, entitling him to a monthly salary of USD 10,909.10 (2nd Appellant's Appeal Brief, para. 163, not contested by the Respondent).

24. Also on the same day, the 3rd Appellant signed a contract with the same club for the same period, entitling him to a monthly salary of USD 10,909.10 (3rd Appellant's Appeal Brief, para. 163, not contested by the Respondent).

25. On 16 July 2024, the Respondent disputed the calculations presented in para. 21 above as "*incompatible with the contractual provisions and the payments made by*" it (Exhibits A1-17; A2-17; A3-17).

26. Moreover, the Respondent argued that there was "*no need to speak of any wrongdoing on the part of Vasco in relation to the sums arising from the dismissal of the coaches, since the 'Remuneration due' pro rata die basis was paid in full to all the coaches, in BRL, in accordance with the contractual provisions*".

27. Further, the Respondent counter-proposed the following calculations:

    (i) For the 1st Appellant: "*2024 Remuneration € 584.000,00* […] *Remuneration Paid € 24.171,31* […] *Remuneration Due € 80.106,19* […] *FGTS due R$ 120.967,15* […] *Balance to Pay CC € 35.535,70* […] *Balance to Pay TRCT R$ 210.726,71* […] *TRCT complem.: penalty R$ 4.349.103,98*".

    (ii) For the 2nd Appellant: "*2024 Remuneration € 63.000,00 2024* […] *Remuneration Paid € 2.691,96* […] *Remuneration Due € 8.641,59* […] *FGTS due R$ 13.308,57* […] *Balance to Pay CC € 3.705,36* […] *Balance to Pay TRCT R$ 21.972,76*".

    (iii) For the 3rd Appellant: "*2024 Remuneration € 105.000,00* […] *Remuneration Paid € 4.423,51* […] *Remuneration Due € 14.402,65* […] *FGTS due R$ 21.985,33* […] *Balance to Pay CC € 6.271,67* […] *Balance to Pay TRCT R$ 37.190,99*".

28. Finally, the Respondent attached draft settlement agreements for the 1st and 3rd Appellant (to be replicated for the other members of the staff); these agreements concerned the payment of a "*global monetary penalty for early termination of the employment contract operated by the club without just cause*" (Articles 1.6 and 1.1 respectively).

29. On the same day, the Respondent suggested that all remaining payments be made on the 30th of each month (Exhibits A1-17; A2-17; A3-17).

30. On 17 July 2024, the Appellants accepted the wording of the settlement agreements while adding "*non-substantive*" changes (Exhibits A1-17; A2-17; A3-17).

31. Notwithstanding these communications, no settlement agreements were subsequently signed.

32. On 29 July 2024, the Appellants sent to the Respondent default letters requesting the payment of a "*net amount of 729.111,11 €, plus interest at 5% rate since the overdue date until effective payment*" to the 1st Appellant, a "*net amount of R$ 324.924,00, plus interest at 5% rate since the overdue date until effective payment*" to the 2nd Appellant, and a "*net amount of R$ 537.186,00, plus interest at 5% rate since the overdue date until effective payment*" to the 3rd Appellant (Exhibits A1-18; A2-18; A3-18).

33. In the default letters, the Appellants characterized these amounts as "*compensation for the unilateral termination of the contract without just cause*" and as "*liquidated damages*" (Exhibits A1-18; A2-18; A3-18).

34. In support of their request that these amounts be paid, the Appellants cited Article 17(1) of FIFA's Regulations on the Status and Transfer of Players ("**RSTP**"), Articles 6.1, 6.2 (first part), 7 and 8 of Annex 2 to the RSTP, as well as Articles 8.2 of Employment Contract 1, 8.1 of Employment Contract 2 and 8.2 of Employment Contract 3 (Exhibits A1-18; A2-18; A3-18).

35. To date, it is undisputed that the Respondent paid the Appellants' outstanding salaries as of 21 June 2024 in full (1st Appellant's Appeals Brief, para. 153; 2nd Appellant's Appeal Brief, para. 153; 3rd Appellant's Appeal Brief, para. 153).

36. For the sake of full clarity, the 1st Appellant in this case argues that the "*salary advance*" foreseen in Article 2.3 of Employment Contract 1 was not paid (1st Appellant's Appeal brief, para. 172), while acknowledging that the salary itself was indeed paid.

III. PROCEEDINGS BEFORE THE PSC

37. On 12 August 2024, the 1st Appellant seized the PSC, with the 2nd and 3rd Appellant also seizing the PSC on 19 August 2024, requesting the relief presented in para. 32 above.

38. On 29 October 2024, the PSC issued its decision in the case of the 1st Appellant ("**PSC Decision 1**") (with the 1st Appellant being notified of the grounds on 29 November 2024), holding that:

(i) The "*Termination Clause* [n.b.: Article 1 of Employment Contract 1*], read together with the Pre-Contract Annex clauses 1.2 and 1.13, appeared to award compensation to the Claimant based not only on the Claimant's remuneration but on the remuneration of the other members of the coaching staff*" (PSC Decision 1, para. 35);

(ii) The "*Termination Clause in conjunction with the Pre-Contract Annex clauses 1.2 and 1.13, if upheld, would result in (i) all termination compensation being entirely payable to the Claimant, with no remuneration awarded to any of the other members of his coaching staff or, alternatively, (ii) with the remaining coaching staff being awarded their portion of the compensation and the Claimant receiving "duplicate" amounts, thus being unjustly enriched from a payment that derived from his staff's compensation package*" (PSC Decision 1, para. 38);

(iii) According to Article 2(1) of Annex 2 to the RSTP, a coach's contract must be "*executed on an individual basis*", whereas according to FIFA's commentary on this provision, "*group contracts*" are "*outlawed*" (PSC Decision 1, para. 39); accordingly, this provision prohibits parties from benefitting "*from the compensation from a breach of contract that was calculated and based on compensation to the other individuals*" (PSC Decision 1, para. 31);

(iv) The "*combined effect of the Termination Clause and the Pre-Contract Annex* [is] *unenforceable on account of being in violation of the Regulations",* such that *"the consequences of the termination at hand shall be analysed within the parameters of art. 6 Annexe 2 of said Regulations*" (PSC Decision, para. 31);

(v) According to "*art. 6 par. 2(b) Annexe 2 of the Regulations*, […] *remuneration under a new employment contract shall be taken into account in the calculation of the amount of compensation*" (PSC Decision 1, para. 46);

(vi) Given his new contract with Al-Orobah, "*the Coach mitigated his damages in the total amount of USD 720,000.02, that is, USD 76,363.64 times 5.5 months, plus USD 300,000. The Chamber determined that this compensation converted to*

approximately EUR 661,392 at the time of signing the new contract" (PSC Decision 1, para. 47); and

(vii) The "*coach has fully mitigated the damages (i.e., EUR 524,097.48 minus EUR 661,392, thus no compensation is to be awarded)*" (PSC Decision 1, para. 49).

39. On the same day (*i.e.*, on 29 October 2024, with the 2nd Appellant being notified of the grounds on 30 November 2024), the PSC issued its decision in the case of the 2nd Appellant ("**PSC Decision 2**"), holding that:

(i) At "*the time of termination* [of Employment Contract 2], [the 1st Appellant] *was still employed by the Club*", such that the termination of all Employment Contracts happened at the same time (PSC Decision 2, para. 37);

(ii) The considerations under para. 38(i)-(v) apply equally to the 2nd Appellant (PSC Decision 2, paras. 39-53);

(iii) Given his new contract with Al-Orobah, "*the Coach mitigated his damages in the total amount of USD 60,000.05 net, that is, USD 10,909.10 net times 5.5 months. The Chamber determined that this compensation converted to approximately EUR 55,116 net at the time of signing the new contract*" (PSC Decision 2, para. 54); and

(iv) The "*Respondent must pay the amount of EUR 4,660.58 net to the Coach (i.e. EUR 59,776.58 net minus EUR 55,116 net), which was to be considered a reasonable and justified amount of compensation for breach of contract in the present matter*" (PSC Decision 2, para. 56).

40. Finally, and also on the same day (*i.e.*, on 29 October 2024, with the 3rd Appellant being notified of the grounds on 30 November 2024), the PSC issued its decision in the case of the 3rd Appellant ("**PSC Decision 3**"), holding that:

(i) The considerations under para. 39(i)-(ii) apply equally to the case of the 3rd Appellant (PSC Decision 3, paras. 36-53);

(ii) Given his new contract with Al-Orobah, "*the Coach mitigated his damages in the total amount of USD 101,999.98 net, that is, USD 18,545,45 net times 5.5 months. The Chamber determined that this compensation converted to approximately EUR 93,697.18 net at the time of signing the new contract*" (PSC Decision 3, para. 54); and

(iii) The "*Respondent must pay the amount of EUR 2,132.50 net to the Coach (i.e. EUR 95,829.68 net minus EUR 93,697.18 net), which was to be considered a reasonable and justified amount of compensation for breach of contract in the present matter*" (PSC Decision 3, para. 56).

IV. PROCEEDINGS BEFORE THE COURT OF ARBITRATION FOR SPORT

41. On 17 December 2024, the Appellants, along with two other members of their staff, filed their respective Statements of Appeal to the CAS, of which the CAS Court Office acknowledged receipt, and which it forwarded to FIFA and the Respondent, on 23 December 2024.

42. On 30 December 2024, the Respondent expressed its agreement on certain issues raised in the Statements of Appeal.

43. On 31 December 2024, the CAS Court Office informed the Parties that, given the Respondent's agreement as expressed in its letter of the previous day, the dispute had been submitted to a Sole Arbitrator who would be nominated in accordance with Article R54 of the CAS Code of Sports-related Arbitration (2023 edition) ("**CAS Code**"). Moreover, all appeals would be submitted to the same arbitrator pursuant to Article R50 of the CAS Code.

44. On 6 January 2025, FIFA renounced its right to request a possible intervention in the matter at hand and submitted a clean copy of all appealed decisions, of which the CAS Court Office acknowledged receipt on 7 January 2025.

45. On 9 January 2025, the Appellants filed their respective Appeal Briefs, of which the CAS Court Office acknowledged receipt on 10 January 2025.

46. On 5 March 2025, the CAS Court Office informed the Parties that two of the appeals had been withdrawn. On the same day, the CAS Court Office confirmed that the remaining appellants had paid their shares of the advance on costs and shared the Appeal Briefs with the Respondent, inviting it to file Answers to the Appeal Briefs within 20 days.

47. On 19 March 2025, the CAS Court Office invited the Appellants to pay an additional advance on costs by 2 April 2025.

48. On 20 March 2025, the Respondent requested that the time limit to file its Answer be fixed once the additional advance of costs has been paid by the Appellant pursuant to Article R55 of the CAS Code.

49. On 21 March 2025, the CAS Court Office acknowledged receipt of the Respondent's letter of the previous day and stated that it would set a new deadline for the Answers to the Appeal Briefs.

50. On 28 March 2025, the CAS Court Office set a new deadline of 20 days for the filing of the Answers to the Appeal Briefs, beginning on the same day.

51. On 16 April 2025, the Respondent filed its Answers to the Appeal Briefs, of which the CAS acknowledged receipt on 17 April 2025, while also inviting the Parties to state whether they wished for a hearing and a case management conference to take place by 24 April 2025, and informing them of the appointment of Mr Giulio Palermo as Sole Arbitrator.

52. On 23 April 2025, the Appellants informed the CAS that they would be requesting an in-person hearing in Lausanne. The Respondent stated that it saw no need for a hearing, while no party requested a case management conference.

53. On 24 April 2025, the Respondent informed the CAS that, if a hearing were ordered, it should take place online or in Rio de Janeiro.

54. On 25 April 2025, the Sole Arbitrator noted that the Respondent had raised in its Answers to the Appeal Briefs an objection to the admissibility of the Appellants' witnesses. The Sole Arbitrator rejected the objection and reserved the grounds of rejection for the Award.

55. The Sole Arbitrator also informed the Parties that an online hearing would be held on the matter, while inviting them to justify their respective preferences regarding an in-person or online hearing, and indicate on which dates they would not be available to attend this hearing.

56. On 6 May 2025, the CAS Court Office informed the Parties that the hearing would take place on 24 June 2025 at 13:00 CEST by video-conference.

57. On 15 May 2025, the CAS Court Office issued an Order of Procedure for the Parties' signature.

58. Between 19 and 20 May 2025, the Parties signed the Order of Procedure, while the Appellants communicated to the CAS the list of persons attending the hearing on their behalf and requiring interpretation.

59. On 5 June 2025, further to the Parties' agreement, the CAS Court Office confirmed that the hearing would take place on 24 June 2025 at 14:00 CEST.

60. On 17 June 2025, the Respondent filed certain documents and explanations concerning its "*reorganization bankruptcy proceedings in Brazil*", on which the Appellants were invited to comment by the CAS Court Office by 20 June 2025, and to which they replied on 19 June 2025.

61. On 20 June 2025, the Appellants nominated as their interpreted Mr Joaquim Pizarro, a nomination to which the Respondent objected on 23 June 2025 due to the interpreter's affiliation with the Appellants.

62. On 24 June 2025, the CAS Court Office invited the Appellants to comment on the objection by 13:00 CEST on the same day, which they did. On the same day, the Appellants requested a one-hour delay to the hearing starting time, which was granted, and nominated Mr Tomas Teixeira as interpreter. The hearing then took place at the scheduled time; at the end of it, the Parties confirmed they had no objection to how it had been conducted.

63. On 25 June 2025, the CAS Court Office informed the Parties that, for purposes of procedural efficiency, unless the Parties objected by 27 June 2025, the Sole Arbitrator would decide the abovementioned procedures in a single arbitral award. In the same letter, the CAS Court Office requested that the Respondent share a CAS Award mentioned

during the Hearing, which it did the following day, and to which the Appellants responded on 30 June 2025.

V. JURISDICTION

64. Article R47 of the CAS Code provides that "[a]*n 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*".

65. Similarly, pursuant to Article 50(1) of the FIFA Statutes 2024, "[a]*ppeals against final decisions passed by FIFA and its bodies shall be lodged with CAS within 21 days of receipt of the decision in question*".

66. Further, pursuant to Article R57 of the CAS Code, "[t]*he* [CAS] *Panel has full power to review the facts and the law. It may issue a new decision which replaces the decision challenged or annul the decision and refer the case back to the previous instance*".

67. Finally, Article 186(2) of the Swiss Private International Law Act, which constitutes the *lex arbitri* of the present proceedings pursuant to Article R28 of the CAS Code and the fact that the Parties never had a domicile or residence in Switzerland, provides that "[a]*ny objection to* [the Sole Arbitrator's] *jurisdiction must be raised prior to any defense on the merits*".

68. In the present proceedings, the Sole Arbitrator is requested to revisit a decision issued by the DRC. The dispute therefore involves an appeal against the decision of a federation in the sense of Article R47 of the CAS Code and Article 50(1) of the FIFA Statutes, while falling within the Sole Arbitrator's scope of review in the sense of Article R57 of the CAS Code.

69. Moreover, the Respondent has not contested the jurisdiction of the CAS, and has even confirmed it by signing the Order of Procedure. Accordingly, the Sole Arbitrator has jurisdiction to review the merits and, if need be, set aside, PSC Decision 1, PSC Decision 2 and PSC Decision 3 (the "**Decisions**").

VI. ADMISSIBILITY

70. Article R49 of the CAS Code provides as follows: "[i]*n the absence of a time limit set in the statutes or regulations of the federation, association or sports-related body concerned, or in a previous agreement, the time limit for appeal shall be twenty-one days from the receipt of the decision appealed against*".

71. Pursuant to Article 50(1) of the FIFA Statutes, "[a]*ppeals against final decisions passed by FIFA and its bodies shall be lodged with CAS within 21 days of receipt of the decision in question*".

72. The grounds of the Decisions were notified to the Appellants on 29 November 2024 (for Decision 1) and 30 November 2024 (for Decisions 2 and 3). The Appellants filed their respective Statements of Appeal to CAS on 17 December 2024. The Appellants therefore

filed their Statements of Appeal within the deadlines provided by the FIFA Statutes and the CAS Code.

73. Further, Article R51(1) of the CAS Code provided as follows, in relevant part: "[w]*ithin ten days following the expiry of the time limit for the appeal, the Appellant shall file with the CAS Court Office a brief stating the facts and legal arguments giving rise to the appeal, together with all exhibits and specification of other evidence upon which it intends to rely*". The Appellants filed their respective Appeal Briefs on 9 January 2025.

74. It follows from the above that the appeals filed by all three Appellants are admissible.

VII. LAW APPLICABLE TO THE MERITS

75. Article R58 of the CAS Code provides that:

"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 the Panel deems appropriate. In the latter case, the Panel shall give reasons for its decision".

76. Further, Article 49(2) of the FIFA Statutes states that, in CAS appeal proceedings targeting decisions issued by FIFA's organs, "*CAS shall primarily apply the various regulations of FIFA and, additionally, Swiss law*".

77. Since the present is indeed a CAS appeal case targeting decisions of a FIFA body (namely the PSC), the Sole Arbitrator, in line with CAS jurisprudence (see, *ex multis*: CAS 2014/A/3577 FC Vojvodina v. Ralph Serginho Greene, Award of 8 May 2015, para. 89; CAS 2014/A/3582 S.C. Fotbal Club Otelul S.A. v. Zdenko Baotić, FIFA & RPFL, Award of 8 May 2015, para. 134; CAS 2014/A/3547 Club Grenoble Football 38 v. Sporting Clube de Portugal, Award of 5 March 2015, para. 103), shall apply the FIFA regulations at stake (namely the RSTP) and additionally Swiss law.

78. The scope of application of Swiss law also includes the interpretation and application of the Pre-Employment Contract and the Employment Contracts; the Sole Arbitrator notes that the Parties have made extensive references to Swiss law in this regard (see, *e.g.*, 1st Appellant's Appeal Brief, para. 228; 2nd Appellant's Appeal Brief, para. 224; 3rd Appellant's Appeal Brief, para. 225; Answer to the 1st Appellant's Appeal Brief, para. 56; Answer to the 2nd Appellant's Appeal Brief, para. 51; Answer to the 3rd Appellant's Appeal Brief, para. 51), and that they expressly agreed to the application of Swiss law during the hearing.

VIII. MERITS

79. The Sole Arbitrator has carefully examined and considered all written and oral submissions made by the Parties, even if certain arguments and allegations have not been

expressly recited or referred to in this Award. Below is a summary of the Parties' main positions, for the sake of good order and ease of reference, followed by the Sole Arbitrator's decision.

A. The Appellants' position

a. The 1st Appellant's position

80. *First*, the 1st Appellant argues that the Respondent is in debt to it in the net amount of EUR 729,11.11 plus 5% interest from the overdue dates until effective payment (1st Appellant's Appeal Brief, para. 169), and in the additional amount of EUR 50,000 (likewise, plus 5% interest from the overdue date until effective payment) which the 1st Appellant characterizes as a "*salary advance*" payable under Article 2.3 of Employment Contract 1 and Article 1.5 of the Pre-Employment Contract (1st Appellant's Appeal Brief, para. 172).

81. *Second*, the 1st Appellant argues that the PSC Decision 1 is "*not based on the written file*" as required by Article 14 of the Football Tribunal Procedural Rules, because the notion that Article 8.2 of Employment Contract 1 and Articles 1.2 and 1.3 of the Pre-Employment Contract constitute "*Group Clauses*", on which the PSC based its decision, is something the 1st Appellant was not given the opportunity to comment on during the PSC proceedings and which did not result from the instruction of evidence (1st Appellant's Appeal Brief, paras. 186 and 191).

82. The Respondent cites in this regard CAS 2015/A/4176, according to which FIFA cannot act "*ex-officio to condemn a person that has never been called as a party*", and CAS 2005/A/927, according to which "*the DRC's function and duties* [do] *not modify the weight of evidence required of the claimant to succeed on the merits*" (1st Appellant's Appeal Brief, para. 193).

83. *Third*, the 1st Appellant argues that the present dispute does not involve "*Group Contracts*" (1st Appellant's Appeal Brief, para. 201), and that the PSC misinterpreted and misapplied this notion (1st Appellant's Appeal Brief, para. 194).

84. According to the 1st Appellant, Article 2.1 of Annex 2 to the RSTP requires coach contracts to be "*executed on an individual basis*", which means that situations where the coach "*signs a single contract with the club which covers the payment for the whole coaching team, who effectively act as the coach's sub-contractors*", have been "*outlawed*" by FIFA to protect the RSTP from being "*circumvented*", *i.e.*, to ensure that the coaching team is "*subject to FIFA jurisdiction*" (1st Appellant's Appeal Brief, paras. 195-200).

85. Here, the Employment Contracts were executed on an individual basis, *i.e.*, all members of the coaching staff were "*engaged individually*" and with individual remuneration, not through a single contract (1st Appellant's Appeal Brief, paras. 204-209).

86. Further, the Pre-Employment Contract refers in its Article 1.4 to visa working conditions for the members of the coaching team, demonstrating that they were not meant to be "*sub-*

contractors" of the 1st Appellant (1st Appellant's Appeal Brief, paras. 215 and 216). While the Pre-Employment Contract mentions these members, this was only in order to ensure that the 1st Appellant could enjoy a "*reasonable coaching activity*" with the staff of his choice, although this could not be guaranteed since it was not certain that they would be able to terminate their contracts with their previous team (1st Appellant's Appeal Brief, paras. 211-214).

87. Moreover, Article 1.7 sets out different payment conditions for the 1st Appellant and members of the staff and provides that payment will be made by the Respondent, not the 1st Appellant, who in any case neither concluded nor signed the Pre-Employment Contract (1st Appellant's Appeal Brief, paras. 218 and 224).

88. In addition, while Article 10 of Employment Contract 1 mentions the Pre-Employment Contract as an integral part thereof, this is only *"referred to its quality of document produced in the course of negotiations as an act prior to the conclusion of* [Employment Contract 1]", while the "*termination of the Pre-Employment Contract was made dependent on the conclusion and signature of* [Employment Contract 1]" (1st Appellant's Appeal Brief, paras. 225 and 226).

89. Lastly, the PSC erred in its interpretation of Article 2.1 of Annex 2 to the RSTP, when characterizing Articles 8.1 and 8.2 of Employment Contract 1 as group clauses; an interpretation in line with the Parties' common and subjective will or the principle of mutual trust under Article 18 of the Swiss Code of Obligations ("**CO**") would suggest the contrary, since the 1st Appellant and members of his staff have individual contracts, rights and duties, remuneration (which is payable to them directly by the Respondent) and termination clauses, while the 1st Appellant never received remuneration for the entire staff to then distribute it further (1st Appellant's Appeal Brief, paras. 229-238).

90. *Fourth*, referencing CAS 2008/A/1589 and Articles 1 and 2(1) of the CO, the 1st Appellant draws a distinction between contracts and pre-contracts, with the latter lacking the "*essential elements of the contract*" (1st Appellant's Appeal Brief, para. 262) and not reflecting the final agreement (1st Appellant's Appeal Brief, para. 267).

91. Here, the Parties' "*true and common intention*" through the Pre-Employment Contract was to "*reserve the finalization of the employment contract to a later stage*" and not to "*reflect the final agreement*" (1st Appellant's Appeal Brief, paras. 270 and 271). They agreed on some "important elements" but not the "essential elements" of Employment Contract 1, with Articles 1.1, 1.2, 1.5, 1.6, 1.7, 1.13 and 2 of the latter eventually changing in Employment Contract 1 (1st Appellant's Appeal Brief, paras. 272-276).

92. *Fifth*, the 1st Appellant argues that the Respondent is breaching the principle *of pacta sunt servanda* and Employment Contract 1 by not applying Article 6 of Annex 2 to the RSTP (1st Appellant's Appeal Brief, paras. 310-314).

93. The 1st Appellant argues in that regard that the present situation is governed by Article 6 of Annex 2 to the RSTP, and that according to FIFA' commentary on the RSTP, Articles 3 to 8 of Annex 2 to the RSTP reflect the same principles as those applicable to contracts

involving players, including the principles of Article 17 of the RSTP (1st Appellant's Appeal Brief, paras. 314-318).

94. Article 17 of the RSTP, in turn, allows parties to include a clause in their contracts which establishes in advance an amount due "*from the party at fault in the event of a breach of contrac*t"; this is a "*liquidated damages*" clause, which is defined as a clause determining a "set amount of compensation, payable in the event of a unilateral, premature termination without just cause" according to FIFA's commentary on the RSTP (1st Appellant's Appeal Brief, paras. 322-327).

95. Such a clause, according to CAS 2017/A/5242, does not need to establish "*reciprocal*" penalties to be valid (1st Appellant's Appeal Brief, para. 328). Further, according to CAS 2016/A/4826, such a clause takes "*precedence over the application of the other criteria set forth in* [Article 17 of the RSTP]" whereas according to CAS 2016/A/4550 it is subject to Article 160 of the CO (1st Appellant's Appeal Brief, paras. 330 and 331).

96. Article 8.2 of Employment Contract 1 is a liquidated damages clause; being such a clause, it is subject to Article 6.2, first part, of Annex 2 to the RSTP, and not to this provision's second part (1st Appellant's Appeal Brief, paras. 333 and 334). The criteria stipulated in the second part were "*clearly rejected*" by the Parties in Article 8.5 of Employment Contract 1 (1st Appellant's Appeal Brief, para. 335).

97. *Sixth*, the 1st Appellant argues that the termination fee established in Article 8.2 of Employment Contract 1 was based on the "*simple monthly retribution*" agreed in Article 2.4, the "*retribution*" waived by the 1st Appellant when he left his previous club and the house allowance foreseen in Article 2.9, with the fact that it corresponds to the total of the 1st Appellant's "*retribution*" and that of the staff being constituting a simple coincidence (1st Appellant's Appeal Brief, paras. 337 and 338).

98. *Seventh,* the 1st Appellant argues that damages under liquidated damage clauses are subject to a proportionality requirement under Article 163 of the CO (1st Appellant's Appeal Brief, paras. 339-341), and can be pronounced as "*non-applicable*" or *"invalid*" by FIFA if they are disproportionate, in which case the calculation of the damages owed to a party after premature termination without cause are governed by Article 17 of the RSTP (1st Appellant's Appeal Brief, paras. 342 and 343).

99. However, according to CAS 2015/A/3999, liquidated damages clauses should not be deemed "*excessive*" simply because they exceed the actual damage suffered by the injured party (1st Appellant's Appeal Brief, para. 347). Here, the damages foreseen in Article 8.2 of Employment Contract 1 are proportionate and not subject to any "*mitigation*" (1st Appellant's Appeal Brief, paras. 348-351).

100. *Eighth*, the 1st Appellant argues that, assuming Article 8.2 of Employment Contract 1 is not a liquidated damages clause, it is then a buy-out clause, defined in CAS 2013/A/3411 as a clause granting a right for parties to a contract to agree that one of them may terminate the contract by notifying the other party and paying a stipulated amount (1st Appellant's Appeal Brief, para. 356). The difference between liquidated damage clauses and buy-out

clauses is that the latter cannot trigger sporting sanctions, while the former can (1st Appellant's Appeal Brief, para. 355).

101. The 1st Appellant further cites CAS 2019/A/6337, CAS 2016/A/4576, CAS 2016/A/4550, CAS 2010/A/2098, CAS 2019/A/6525 and CAS/A/7128, as well as a DRC Decision of 8 November 2022, to suggest that a party that chooses to terminate the contract early by paying an agreed some does not need a just cause to terminate the contract (1st Appellant's Appeal Brief, para. 363).

102. *Ninth*, the 1st Appellant argues that its contract with Al-Orobah is "*not relevant to settle the present matter*" and would only be relevant under the second part of Article 6.2 of Annex 2 to the RSTP, which in turn governs situations where there is no compensation clause stipulated in the contract (1st Appellant's Appeal Brief, paras. 368-370).

103. *Finally,* the 1st Appellant argues that Articles 1, 2.a and 7 of Annex 2 to the RSTP, as well as Articles 322d and 341.1 of the CO require clubs to comply with their financial obligations toward coaches, and that the Respondent fell short of these obligations by failing to pay a salary advance of EUR 50,000 within 12 business days from the signature of Employment Contract 1, as required by the latter's Article 2.3 and Article 1.5 of the Pre-Employment Contract (1st Appellant's Appeal Brief, paras. 374-382).

104. The 1st Appellant adds in this regard that the reason why the PSC did not discuss the salary advance is the fact that it did not accept to have a second round of submissions and did not consider the 1st Appellant's response when the latter provided the employment contract with the new club (1st Appellant's Appeal Brief, paras. 384 and 385).

105. In light of the above, the 1st Appellant presents the following request for relief (1st Appellant's Appeal Brief, pp. 124, 125):

"*The Appellant hereby respectfully requests the Court of Arbitration for Sports to:*

a) Set aside the Appealed Decision in full.

b) Acknowledge that the Respondent Club, on 21 June 2024, terminated the employment contract signed with the Appellant Head Coach, unilaterally, before its expiry date, without just cause and with immediate effects.

c) Acknowledge that the Club activated Clause 8 of the employment contract, namely Clause 8.2, which gave the right to terminate the contract unilaterally and without just cause, before its expiry date, so any employment agreements signed by the Coach after the contract termination are not relevant in the settlement of the present dispute, that is: no mitigation shall be made in the present case.

d) Acknowledge that the case at hand is not a collective contract and the Appellant didn't seek relief before the Football Tribunal nor before CAS on behalf of the other individuals, nor the breach of contract was calculated and based on compensation to the other individuals.

e) Acknowledge that there is no combined effect of the Termination Clause and the Pre-Contract, nor any violation of the Regulations, so the consequences of termination at hand shall not be analysed within the parameters of art. 6 Annexe 2 of said Regulations.

t) Condemn the Respondent Club to pay to the Appellant Coach the compensation net amount of 729.111,11 €, plus interest at 5% rate since 21 June 2024 until effective payment.

g) Condemn the Respondent Club to pay to the Appellant Coach the net amount of 50.000,00 €, regarding the salary advance that should have been paid in the 12 business days after the signature of the Employment Contract, pursuant Clause 2.3. of the Employment Contract, plus interest at 5% rate since the overdue date until effective payment.

h) Impose to the Respondent Club sporting sanctions.

Also,

i) To condemn the Respondent Club to pay an amount of CHF 10'000 regarding the expenses with the legal advice and composition of the appeal, towards the Lawyer from the Appellant.

j) To condemn the Respondent Club to pay the entire costs of the proceeding.

k) Consolidate to the same Panel, pursuant Article RS0. Para. 2 of the ·"Code", the cases of the Appeals to CAS against the FIFA's PAS decisions on the cases:

REF.FPSD-15624, regarding an employment-related dispute concerning the coach Ricardo Manuel Goncalves Ferreira (Exhibit 39) - Re: CAS 2024/A/11077 Ricardo Miguel Goncalves Ferreira v. Vasco da Gama Sociedade Anonima Do Futebol;

REF.FPSD-15625, regarding an employment-related dispute concerning the coach Leandro de Sousa Mendes (Exhibit 40) - Re: CAS 2024/A/11080 Leandro De Sousa Mendes v. Vasco da Gama Sociedade Anonima Do Futebol;

REF-FPSD-15626, regarding an employment-related dispute concerning the coach Pedro Valdemar Vasconcelos Pinto da Cunha Teixeira (Exhibit 41) - Re: CAS 2024/A/11081 Pedro Valdemar Vasconcelos Pinto da Cunha Teixeira v. Vasco da Gama Sociedade Anonima Do Futebol

REF-FPSD-15627, regarding an employment-related dispute concerning the coach Jose Miguel Carvalho Teixeira (Exhibit 42) - -Re: CAS 2024/A/11079 Jose Miguel Carvalho Teixeira v. Vasco da Gama Sociedade Anonima Do Futebol".

b. The 2nd Appellant's position

106. The 2nd Appellant argues that the Respondent is in debt to it in the net amount of R$ 324,924 plus 5% interest from the overdue dates until effective payment (2nd Appellant's Appeal Brief, para. 168), and reproduces the arguments made by the 1st Appellant under

paras. 81-102 above. The 2nd Appellant then presents the following request for relief (2nd Appellant's Appeal Brief, pp. 124, 125):

"*The Appellant hereby respectfully requests the Court of Arbitration for Sports to:*

a) Set aside the Appealed Decision in full.

b) Acknowledge that the Respondent Club, on 21 June 2024, terminated the employment contract signed with the Appellant Assistant Coach, unilaterally, before its expiry date, without just cause with immediate effect.

c) Acknowledge that the Club activated Clause 8 of the employment contract, namely Clause 8.1, which gave the right to terminate the contract unilaterally and without just cause, before its expiry date, so any employment agreements signed by the Coach after the contract termination are not relevant in the settlement of the present dispute, that is: no mitigation shall be made in the present case.

d) Acknowledge that the case at hand is not a collective contract and the Appellant didn't seek relief before the Football Tribunal nor before CAS on behalf of the other individuals, nor the breach of contract was calculated and based on compensation to the other individuals.

e) Acknowledge that there is no combined effect of the Termination Clause and the Pre-Contract, nor any violation of the Regulations, so the consequences of termination at hand shall not be analysed within the parameters of art. 6 Annexe 2 of said Regulations.

f) Condemn the Respondent Club to pay to the Appellant Coach the compensation gross amount of R$ 324.924,00, plus interest at 5% rate since 21 June 2024 until effective payment.

g) Impose to the Respondent Club sporting sanctions.

Also,

h) To condemn the Respondent Club to pay an amount of CHF 10'000 regarding the expenses with the legal advice and composition of the appeal, towards the Lawyer from the Appellant.

i) To condemn the Respondent Club to pay the entire costs of the proceeding.

j) Consolidate to the same Panel, pursuant Article R50. Para. 2 of the "Code", the cases of the Appeals to CAS against the FIFA's PAS decisions on the cases:

REF.FPSD-15624, regarding an employment-related dispute concerning the coach Ricardo Manuel Gon9alves Ferreira (Exhibit 39) - Re: CAS 2024/A/11077 Ricardo Miguel Goncalves Ferreira v. Vasco da Gama Sociedade An6nima Do Futebol;

REF.FPSD-15559, regarding an employment-related dispute concerning the coach Alvaro Adriano Teixeira Pacheco (Exhibit 40) - Re: CAS 2024/A/11078 Alvaro Adriano Teixeira Pacheco v. Vasco da Gama Sociedade An6nima Do Futebol;

REF-FPSD-15626, regarding an employment-related dispute concerning the coach Pedro Valdemar Vasconcelos Pinto da Cunha Teixeira (Exhibit 41) - Re: CAS 2024/A/11081 Pedro Valdemar Vasconcelos Pinto da Cunha Teixeira v. Vasco da Gama Sociedade Anonima Do Futebol;

REF-FPSD-15625, regarding an employment-related dispute concerning the coach Leandro de Sousa Mendes (Exhibit 42) - Re: CAS 2024/A/11080 Leandro De Sousa Mendes v. Vasco da Gama Sociedade Anonima Do Futebol".

c. The 3rd Appellant's position

107. The 3rd Appellant argues that the Respondent is in debt to it in the net amount of R$ 537,186 plus 5% interest from the overdue dates until effective payment (3rd Appellant's Appeal Brief, para. 168), and reproduces the arguments made by the 1st Appellant under paras. 81-102 above. The 3rd Appellant then presents the following request for relief (3rd Appellant's Appeal Brief, pp. 126, 127):

"*The Appellant hereby respectfully requests the Court of Arbitration for Sports to:*

a) Set aside the Appealed Decision in full.

b) Acknowledge that the Respondent Club, on 21 June 2024, terminated the employment contract signed with the Appellant Assistant Coach, unilaterally, before its expiry date, without just cause and with immediate effects.

c) Acknowledge that the Club activated Clause 8 of the employment contract, namely Clause 8.1, which gave the right to terminate the contract unilaterally and without just cause, before its expiry date, so any employment agreements signed by the Coach after the contract termination are not relevant in the settlement of the present dispute, that is: no mitigation shall be made in the present case.

d) Acknowledge that the case at hand is not a collective contract and the Appellant didn't seek relief before the Football Tribunal nor before CAS on behalf of the other individuals, nor the breach of contract was calculated and based on compensation to the other individuals.

e) Acknowledge that there is no combined effect of the Termination Clause and the Pre-Contract, nor any violation of the Regulations, so the consequences of termination at hand shall not be analysed within the parameters of art. 6 Annexe 2 of said Regulations.

f) Condemn the Respondent Club to pay to the Appellant Coach the compensation gross amount of R$ 537.186,00, plus interest at 5% rate since 21 June 2024 until effective payment.

g) Impose to the Respondent Club sporting sanctions.

Also,

h) To condemn the Respondent Club to pay an amount of CHF 10'000 regarding the expenses with the legal advice and composition of the appeal, towards the Lawyer from the Appellant.

i) To condemn the Respondent Club to pay the entire costs of the proceeding.

j) Refer to the same Panel, pursuant Article R50. Para. 2 of the "Code", the cases of the Appeals to CAS against the FIFA's PAS decisions on the cases:

REF.FPSD-15624, regarding an employment-related dispute concerning the coach Ricardo Manuel Gonçalves Ferreira (Exhibit 39) - Re: CAS 2024/A/11077 Ricardo Miguel Gonçalves Ferreira v. Vasco da Gama Sociedade Anônima Do Futebol;

REF.FPSD-15559, regarding an employment-related dispute concerning the coach Álvaro Adriano Teixeira Pacheco (Exhibit 40) - Re: CAS 2024/A/11078 Alvaro Adriano Teixeira Pacheco v. Vasco da Gama Sociedade Anônima Do Futebol;

REF-FPSD-15627, regarding an employment-related dispute concerning the coach José Miguel Carvalho Teixeira (Exhibit 41) - Re: CAS 2024/A/11079 José Miguel Carvalho Teixeira v. Vasco da Gama Sociedade Anônima Do Futebol;

REF-FPSD-15625, regarding an employment-related dispute concerning the coach Leandro de Sousa Mendes (Exhibit 42) - Re: CAS 2024/A/11080 Leandro De Sousa Mendes v. Vasco da Gama Sociedade Anônima Do Futebol".

B. The Respondent's position

a. On the 1st Appellant's claims

108. *First*, the Respondent argues that the 1st Appellant contradicts itself when claiming EUR 50,000 as a salary advance, since the 1st Appellant asserted during the present proceedings and before the PSC that he is not entitled to "*outstanding payables*", having been "*paid in full*" (Respondent's Answer to the 1st Appellant's Appeal Brief, para. 16).

109. This, according to the Respondent, violates the principles of *non venire contra factum proprium* (Respondent's Answer to the 1st Appellant's Appeal Brief, para. 19) and *nemo auditur propriam turpitudinem allegans* (Respondent's Answer to the 1st Appellant's Appeal Brief, para. 72 and fn 11, citing DRC, decision passed on 28/01/2016; DRC, decision passed on 26/05/2016; DRC, decision passed on 09/04/2020; CAS 2015/A/4195; CAS 2011/A/2375; CAS 2015/A/4097; TAS 2011/A/2366; CAS 2010/A/2168).

110. *Second,* the Respondent argues that "*the scope of the de novo review does not allow the Arbitral Tribunal to consider this request*" since it was not previously submitted to the PSC (Respondent's Answer to the 1st Appellant's Appeal Brief, para. 21).

111. *Third,* the Respondent argues *ad argumentandum* that the salary advance has already been accounted for when the Parties settled the Appellants' salary entitlements (Respondent's Answer to the 1st Appellant's Appeal Brief, para. 22).

112. *Fourth,* the Respondent points to the three different characterizations the 1st Appellant ascribes to Article 8.2 of Employment Contract 1, namely "*compensation*" clause, "*liquidated damages*" clause and "*buy-out*" clause, stating that the 1st Appellant's difficulties in characterizing the provision are "*evident*" (Respondent's Answer to the 1st Appellant's Appeal Brief, para. 26).

113. *Fifth,* the Respondent argues that the PSC Decision 1 should not be declared "*null and void*" on the alleged ground that it was not based on the "*written file*" as required by Article 41 of the FIFA Football Tribunal Procedural Rules (the "**Procedural Rules**"), because there was one round of written submissions, whereas a second round of submissions can take place only if the FIFA general secretariat deems it necessary, according to Article 22 of the Procedural Rules (Respondent's Answer to the 1st Appellant's Appeal Brief, para. 34).

114. *Sixth,* the Respondent argues that Article 17 of the RSTP does not apply to disputes involving coaches which are governed by Annex 2 to the RSTP, according to CAS 2017/A/5125 and CAS 2017/A/5164 (Respondent's Answer to the 1st Appellant's Appeal Brief, para. 43 and fn 4).

115. *Seventh,* the Respondent argues that even if Article 8.2 of Employment Contract 1 is a liquidated damages clause, it lacks proportionality since the amount it provides for (EUR 850,000) is higher than the remuneration itself (EUR 525.097,48) (Respondent's Answer to the 1st Appellant's Appeal Brief, para. 48).

116. *Eighth,* the Respondent argues that the remuneration of EUR 850,000 foreseen in Article 8.2 of Employment Contract 1 is equal to the annual remuneration due to all three Appellants and the rest of the staff and not just to the 1st Appellant, citing to that effect Article 1.2.a of the Pre-Employment Contract (Respondent's Answer to the 1st Appellant's Appeal Brief, para. 51).

117. In other words, in the event of a unilateral termination without just cause by the Respondent, the Parties chose to compensate the 1st Appellant with the amounts that would have been due to all members of the staff (Respondent's Answer to the 1st Appellant's Appeal Brief, para. 53).

118. *Ninth*, the Respondent argues that if Article 8.2 of Employment Contract 1 is valid, or if compensation should otherwise be calculated according to Article 6 of Annex 2 to the RSTP, the compensation due to the 1st Appellant would be subject to mitigation (Respondent's Answer to the 1st Appellant's Appeal Brief, para. 56).

119. The Respondent cites in this regard Article 6.2.b of Annex 2 to the RSTP to suggest that "*the value of the new contract for the period corresponding the time remaining on the prematurely terminated contract shall be deducted from the residual value of the contract*

that was terminated early" (Respondent's Answer to the 1st Appellant's Appeal Brief, para. 58).

120. The Respondent also cites Article 337c of the CO, to suggest that the "*damages are reduced by any amounts that the employee saved as a result of the termination of the employment relationship or that he earned by performing other work*" (Respondent's Answer to the 1st Appellant's Appeal Brief, para. 60).

121. Moreover, the Respondent states that the principle of mitigation found in Swiss law and the RSTP has been upheld by FIFA (citing PSC, Coach Arnau Navarro Cabre, Spain / Club Qingdao Huanghai FC, China PR (item 25), and PSC (Single Judge), Coach A v. Club B (item 80)) and the CAS (citing CAS 2015/A/4346) (Respondent's Answer to the 1st Appellant's Appeal Brief, paras. 61-63).

122. The Respondent concludes that, accordingly, the value of the contract the 1st Appellant signed with Al-Orobah should be deducted from any compensation owed to the 1st Appellant due to the termination (Respondent's Answer to the 1st Appellant's Appeal Brief, para. 69).

123. Finally, the Respondent objects to the appearance of Leandro de Sousa Mendes and Ricardo Miguel Gonçalves Ferreira as witnesses in the present proceedings, stating that, "[g]*iven their direct interest in the outcome of this case* [n.b.: referring to the fact that they were members of the coaching team and had previously started CAS proceedings against the Respondent]*, their testimony raises serious concerns regarding impartiality and credibility. In this sense, accepting them as witnesses would amount to a due process violation*" (Respondent's Answer to the 1st Appellant's Appeal Brief, para. 76).

124. The Respondent therefore "*requests that the Panel reject the Appellant's application to hear the assistant coaches Leandro de Sousa Mendes and Ricardo Miguel Gonçalves Ferreira as witness, ensuring procedural fairness and the integrity of the arbitration*" (Respondent's Answer to the 1st Appellant's Appeal Brief, para. 77).

125. In light of the above, the Respondent presents the following request for relief (Respondent's Answer to the 1st Appellant's Appeal Brief, paras. 83 and 84):

"[...] *Considering the foregoing, the Respondent respectfully requests that the Sole Arbitrator:*

(a) Reject the application to hear assistant coaches Leandro Sousa Mendes and Ricardo Miguel Gonçalves Ferreira as witness.

[...] *Furthermore, the Respondent respectfully requests the Sole Arbitrator to render an award as follows:*

(b) Enforcing TAS jurisdiction to rule on the matter.

(c) Dismissing the Appeal in its entirety.

(d) Confirming the validity and the terms of the decision of the Player Status' Chamber of the FIFA Football Tribunal passed on 29/10/2024.

Subsidiarily, if the Panel diverges from the PSC Decision and considers clause 8.2 of the Employment Agreement to be valid:

(d.i) Deducting the remuneration for 2024 stipulated in the Head Coach's new employment contract (€525,097.48, as stated in the PSC Decision, §45 – Appellant's Exhibit 0) from his request for compensation (EUR 729,111.11 plus interests).

(e) Ordering the Appellant to bear all costs of the arbitration, including but not limited to CAS administrative costs, arbitrators' fees, and all other procedural costs.

(f) Ordering the Appellant to pay the Respondent a contribution towards its legal fees and other expenses incurred in connection with this arbitration, in an amount not less than CHF 20.000 (twenty thousand Swiss Francs) or any other amount deemed appropriate".

b. On the 2nd Appellant's claims

126. With respect to the 2nd Appellant, the Respondent presents the same counterarguments as those presented by the 1st Appellant under paras. 112-124 above, and submits the following request for relief (Respondent's Answer to the 2nd Appellant's Appeal Brief, paras. 74 and 75):

"[...] *Considering the foregoing, the Respondent respectfully requests that the Sole Arbitrator:*

(a) Reject the application to hear Head Coach Álvaro Pacheco and Assistant Coach Ricardo Miguel Gonçalves Ferreira as witness.

[...] *Furthermore, the Respondent respectfully requests the Sole Arbitrator to render an award as follows:*

(b) Enforcing TAS jurisdiction to rule on the matter.

(c) Dismissing the Appeal in its entirety.

(d) Confirming the validity and the terms of the decision of the Player Status' Chamber of the FIFA Football Tribunal passed on 29/10/2024, including the mitigated compensation.

(e) Ordering the Appellant to bear all costs of the arbitration, including but not limited to CAS administrative costs, arbitrators' fees, and all other procedural costs.

(f) Ordering the Appellant to pay the Respondent a contribution towards its legal fees and other expenses incurred in connection with this arbitration, in an amount not less than CHF 20.000 (twenty thousand Swiss Francs) or any other amount deemed appropriate by the Panel".

c. On the 3rd Appellant's claims

127. With respect to the 3rd Appellant, the Respondent presents the same counterarguments as those presented by the 1st Appellant under paras. 112-124 above, and submits the following request for relief (Respondent's Answer to the 3rd Appellant's Appeal Brief, paras. 74 and 75):

"[...] *Considering the foregoing, the Respondent respectfully requests that the Sole Arbitrator:*

(a) Reject the application to hear Head Coach Álvaro Pacheco and Assistant Coach Ricardo Miguel Gonçalves Ferreira as witness.

[...] *Furthermore, the Respondent respectfully requests the Panel to render an award as follows:*

(b) Enforcing TAS jurisdiction to rule on the matter.

(c) Dismissing the Appeal in its entirety.

(d) Confirming the validity and the terms of the decision of the Player Status' Chamber of the FIFA Football Tribunal passed on 29/10/2024, including the mitigated compensation.

(e) Ordering the Appellant to bear all costs of the arbitration, including but not limited to CAS administrative costs, arbitrators' fees, and all other procedural costs".

C. The Sole Arbitrator's decision

a. Preliminary issue 1: the appeals can be decided in a single award

128. In their respective Appeal Briefs, the Appellants requested the CAS to refer all three appeals to the same panel, pursuant Article R50.2 of the CAS Code, which reads as follows:

"*When two or more cases clearly involve the same issues, the President of the Appeals Arbitration Division may invite the parties to agree to refer these cases to the same Panel; failing any agreement between the parties, the President of the Division shall decide*".

129. As already discussed, pursuant to this provision, further to the Parties' consent, the CAS confirmed that all appeals would be submitted to the same panel on 31 December 2024.

130. In light of this, on 25 June 2025, the Sole Arbitrator invited the Parties to state whether they had any objection to the issuance of one single award for all three appeals, by 27 June 2025.

131. Since the Parties communicated no objections by that deadline, the Sole Arbitrator is empowered to decide the three appeals in one award, and has proceeded to do so in the interest of procedural efficiency.

b. Preliminary issue 2: the bankruptcy proceedings have no effect on the present case

132. As discussed in para. 60 above, on 17 June 2025, the Respondent informed the Appellants, while copying the CAS, that it was under "*reorganization bankruptcy proceedings*".

133. Attaching documents from the Rio de Janeiro State Court, the Respondent argued that it is "*protected from any and all sanctions, whether judicial or extrajudicial*", for ninety days, starting from 8 May 2025.

134. The Respondent further argued that, under Brazilian bankruptcy law, it is "*barred from paying any debts incurred before the current reorganization bankruptcy proceedings, including potential and unexpected debts arising from these procedures*".

135. In their response of 19 June 2025, the Appellants argued that domestic bankruptcy proceedings do not affect the Sole Arbitrator's competence to decide the present case, citing CAS 2012/A/2750, CAS 2013/A/3425 and CAS 2017/A/5360.

136. The Appellants also argued that the present case concerns "*substantive*" entitlements and "*pre-insolvency*" debts; at most, the bankruptcy proceedings would influence the enforceability of such debts but could not affect their existence.

137. Finally, the Respondent noted that enforcement of this award through FIFA could be "*closed*" under Article 59 of the 2025 FIFA Disciplinary Code ("**FDC**"); this, however, would be up to FIFA to decide at the stage of enforcement and cannot affect the present proceedings.

138. The Sole Arbitrator sees no need for action in this regard. The Appellants do not request the suspension of the present proceedings, a finding of lack of jurisdiction/ admissibility, or a pronouncement that the debt is invalid.

139. Rather, the Appellants explain that their communication is filed in order to satisfy point 2 of FIFA Circular no. 1934, in "*good faith and with due diligence*". Point 2 constitutes a mere explanatory remark, stating that the FDC now codifies certain obligations to "*notify creditors of such proceedings and to inform them of their rights and legal remedies under domestic law*".

140. The Appellants also refer to Article 5.a of the FDC – likely intending to refer to Article 21.5.a. The latter, which forms part of the FDC's section on failure to respect decisions, states that:

"*Debtors must notify creditors in a timely and reasonable manner about the initiation of domestic insolvency or bankruptcy proceedings, and no later than 15 days after becoming aware of the initiation of such proceedings. They must also outline the*

creditors' rights in the proceedings and the methods available to the creditors for registering a claim".

141. With their communication, the Appellants therefore seek to comply with the above-presented 15-day notification deadline; this notification is of no direct relevance to the present proceedings, and solely concerns enforcement before FIFA.

142. In sum, the domestic bankruptcy proceedings have no impact on the present proceedings; whether they can have an impact at the stage of enforcement before FIFA or any other bodies is a matter for such bodies to decide.

c. Preliminary issue 3: the Respondent's arguments concerning "group" contracts can be examined

143. As seen in paras. 81 and 82 above, the Appellants argue that they were not afforded the opportunity to comment on the Respondent's "*group*" contract arguments (discussed in further detail in the next section) during the PSC proceedings. The presumed purpose of this argument would be to preclude any finding on such arguments, although the Appellants are vague in their request.

144. Article R57 of the CAS Code, in relevant part, reads as follows: "[t]*he Panel has full power to review the facts and the law. It may issue a new decision which replaces the decision challenged or annul the decision and refer the case back to the previous instance*".

145. The principle that the *de novo* nature of CAS review can cure the procedural deficiencies of proceedings before a sports federation, thereby permitting new arguments, is well-established in CAS jurisprudence. A comprehensive explanation of this principle is found in CAS 2016/A/4648, para. 74, where the panel reasoned as follows:

"*Under this CAS Panel's scope of review pursuant to Article R57 of the CAS Code, the Panel has the full power to admit new prayers for relief and new evidence and to hear new arguments. A so-called "de novo" hearing is "a completely fresh hearing of the dispute between the Parties, any allegation of denial of natural justice, or any defect or procedural error even in violation of the principle of due process, which may have occurred in the first instance, whether in the sporting body or by the ordinary division, CAS Panel, would be cured by the arbitration proceedings before the appeal panel, and the appeal panel is therefore not required to consider any such allegations*" (CAS 2016/A/4648, para. 74).

146. Another CAS panel has reasoned as follows:

"*The full power of review has a dual meaning: (i) CAS admits new prayers for relief and new evidence and hears new legal arguments; and (ii) the full power of review means that procedural flaws, which occurred during the proceedings of the previous instances, can be cured by the CAS Panel*" (CAS 2020/A/6988, para. 129).

147. Moreover, according to the Swiss Federal Tribunal ("**SFT**"), a rejection of claims based on the right to be heard when the final-instance body possesses *de novo* review powers is "*inspired by considerations of speed and economy of procedure*" (SFT 124 II 132, c. 2.d).

148. The Sole Arbitrator, accordingly, does not see the purpose of the Appellants' argument with respect to their procedural rights: under Article R51 of the CAS Code, in the present proceedings, the Appellants have enjoyed a full right to file all "*facts and legal arguments giving rise to the appeal, together with all exhibits and specification of other evidence upon which* [they intend] *to rely*". The Appellants did file such arguments and exhibits, in response to the arguments raised in the Challenged Decisions.

149. Had the question of "*group*" contracts been entirely absent from the Challenged Decisions, the Sole Arbitrator, like the Sole Arbitrator in CAS 2016/A/4387 (para. 152), would have been ready to consider the situation as "*exceptional*", granting the Parties a right to "*supplement or amend their requests or their argument, to produce new exhibits, or to specify further evidence*" under Article R56.1 of the CAS Code. However, the Appellants never requested such an action.

150. Accordingly, the Sole Arbitrator finds that the alleged absence of any discussion on "*group*" contracts during the PSC proceedings has no impact on the present proceedings. The Respondent's arguments in this regard must be heard.

d. Preliminary issue 4: all witnesses were admissibly heard and there is no reason to discredit their testimonies

151. As discussed in para. 54 above, the Respondent objected to the examination of several witnesses put forward by the Appellants; these are Messrs Leandro de Sousa Mendes and Ricardo Miguel Gonçalves Ferreira in CAS 2024/A/11078; Messrs Álvaro Pacheco and Ricardo Miguel Gonçalves Ferreira in CAS 2024/A/11079; Messrs Álvaro Pacheco and Ricardo Miguel Gonçalves Ferreira in CAS 2024/A/11081.

152. The Respondent's grounds for challenging the admissibility of these witnesses were that they all worked closely together and/ or had initiated proceedings before the CAS and the PSC collectively, thus possessing common interests (see, *e.g.*, Answer to the 1st Appellant's Appeal Brief, paras. 74-77).

153. In this regard, as held in CAS 2017/A/4947, a witness' employment relationship with a party is no cause of automatic inadmissibility; rather "*it is the Sole Arbitrator's duty to properly assess the credibility and authenticity of the witness' testimony, considering all his/her personal circumstances and contrasting his/her testimony with the rest of the evidence at stake*" (para. 84).

154. Moreover, the Sole Arbitrator recalls that the International Bar Association's Rules on the Taking of Evidence ("**IBA Rules**") are perceived to codify the state of Swiss law regarding evidence, and are considered to operate as a handbook where the applicable arbitration rules do not diverge from them (Rigozzi & Quinn, Evidentiary Issues Before

CAS (2012), p. 5, referring to Berger & Kellerhals, International and Domestic Arbitration in Switzerland (2*nd* ed.), para. 1200).

155. Article 4(2) of the IBA Rules explicitly allows any person to present evidence as a witness, including a party to the arbitration or a party's officer, employee, or other representative.

156. This means that a witness can have a direct interest in the outcome of the case; said witness' testimony cannot be considered inadmissible nor a violation of due process, and its weight will be a matter of appreciation by the tribunal. In this case, accordingly, all oral testimonies were admissible.

157. With respect to the credibility of the witnesses, the Respondent has presented no concrete arguments other than assumptions based on their employment-related and procedural relationship. The Sole Arbitrator, therefore, sees no reason to discredit statements made by such witnesses.

e. The Employment Contracts were "executed on an individual basis" under Article 2(1) of Annex 2 to the RSTP

158. As already discussed, the PSC found that the Employment Contracts constituted "*group*" contracts, and declared the financial arrangements provided thereunder in case of unilateral unlawful termination unenforceable, replacing them with the by-default regime of the RSTP.

159. The Appellants reject this finding, whereas the Respondent ask that it be confirmed. For the reasons presented in the immediately preceding section, this finding can and shall be revisited by the Sole Arbitrator notwithstanding the absence of a dedicated round of submission on it before the PSC.

160. The permissibility of what the Parties and the PSC have referred to as "*group*" or "*collective*" contracts is determined under Article 2.1 of Annex 2 to the RSTP, which reads as follows: "[a] *coach must have a written contract with a club or an association, executed on an individual basis*".

161. Legal sources elucidating this provision are scarce. The most instructive understanding can be found in FIFA's Commentary to the RSTP, which confirms that the requirement of execution "*on an individual basis*" implies a prohibition of so-called "*group contracts*", and proceeds to define such contracts as follows (p. 558):

"*It is not uncommon for the PSC to decide on matters whereby a foreign head coach is accompanied by their chosen coaching team of six or seven staff members covering both football-specific and non-football-specific roles. To try and avoid those individuals not employed in football-specific roles not being subject to FIFA jurisdiction, the foreign head coach signs a single contract with the club which covers the payment for the whole coaching team, who effectively act as the coach's sub-contractors (i.e. the foreign head coach receives the salary for the whole coaching team from the club, and then pays his*

coaching team directly). Such mechanisms have been outlawed since 1 January 2021 to protect the Regulations from being circumvented".

162. From the above, it can be concluded that a "*group*" or "*collective*" contract is a "*single contract*" signed between the club (or association) and the "*foreign head coach*", yet covering the "*payment for the whole coaching team*"; ultimately, of course, the true nature of a contract should be examined on a case-by-case basis.

163. It can also be deduced from the above that "*group*" or "*collective*" contracts prompt the following concerns:

(i) They complicate FIFA's "*jurisdiction*" by establishing the head coach as the only 'on-paper' creditor with a right to seize FIFA or the CAS. The members of the staff cannot represent themselves as they sit fit, and will often need to rely, in pure good faith, on the head coach's willingness to distribute the proceeds of the award or decision.

(ii) They contribute to the overall lack of "*legal certainty*" in coach contracts, a problem alluded to in the preface to Annex 2 (RSTP Commentary, p. 548); plainly, they constitute non-transparent practices capable of prompting regulatory concerns.

(iii) They enable claims by "*individuals not employed in football-specific roles*", who would otherwise not be covered by Annex 2 to the RSTP (see RSTP Commentary, p. 14), to be indirectly determined by FIFA.

164. To "*outlaw*" such "*practices*", FIFA decided, by virtue of Article 2.1 of Annex 2 to the RSTP, to "*prohibit*" so-called "*group*" or "*collective*" contracts (RSTP Commentary, p. 558). FIFA did not, however, expressly define the consequences of a contract breaching this prohibition.

165. To resolve this ambiguity, interpretation in line with the broader "*regulatory context*" and the "*intentions of the association*" (CAS 2010/A/2071, para. 20) is necessary. In this regard, the RSTP Commentary states that the purpose of Articles 3 to 8 of Annex 2 is to protect "*contractual stability*" and ensure that coaches are not left "*at the mercy*" of clubs (p. 566).

166. The solution which appears most consistent with this purpose is that provided by Article 20(1) of the CO, according to which, "*where the defect pertains only to certain terms of a contract, those terms alone are void unless there is cause to assume that the contract would not have been concluded without them*".

167. Similarly, the most likely consequence intended by the drafters of Annex 2 to the RSTP is to invalidate not the entire contract, but the particular provision thereof rendering its nature "*collective*", replacing it with the RSTP's by-default regime. Any other solution would leave coaches unprotected and harm contractual stability.

168. Against this interpretative background, the Sole Arbitrator does not agree with the PSC that the Employment Contracts failed the "*individual basis*" requirement of Article 2.1

of Annex 2 to the RSTP. To begin with, self-evidently, they do not form a "*single contract*": they are individually signed and contain individual terms and reference numbers.

169. Moreover, Employment Contract 1 does not cover the "*payment for the whole coaching team*". Each contract sets its own terms for salaries and termination fees, and there is no evidence of an 'unseen' internal agreement to redistribute the CHF 850,000 referenced in Employment Contract 1 among the whole coaching team.

170. The fact that Employment Contract 2 and Employment Contract 3 are automatically terminated in case Employment Contract 1 itself is terminated does not modify this conclusion. This is acknowledged by FIFA itself when providing the following example, in its Commentary to the RSTP, of what does not constitute a prohibited "*group*" contract (p. 558):

"*Despite being concluded on an individual basis, the contracts signed with the assistant coaches expressly established that they would be automatically terminated if the relationship with the head coach was ended, for whatever reason. In this specific constellation and in strict observation of the contractual freedom of the parties concerned, the PSC confirmed that, by prematurely terminating the contract with the head coach, the other three assistant coaches had also been automatically dismissed by the club (for the same reason and without just cause)*".

171. This example serves to confirm that a contract with an automatic termination clause can still be deemed executed on an "*individual basis*", in line with the parties' "*contractual freedom*", and its termination provisions should still be honoured.

172. As a case in point, in the cases referred to by FIFA in the above-cited passage (specifically, fn 892 thereof), the termination clause was not deemed null and void (PSC decision of 28 February 2023, Rebelo Fernandes; PSC decision of 31 March 2023, Braz Marques; PSC decision of 31 March 2023, Salazar; PSC decision of 9 May 2023, Morais).

173. A consideration of the object and purpose behind Article 2 of Annex 2 to the RSTP would confirm the conclusions reached above, as follows:

(i) Here, the members of the staff not only enjoy individual compensation, but also a fully autonomous right to claim such compensation before FIFA: they have concluded contracts with an RSTP clause, which affords FIFA "*jurisdiction*" over their claims;

(ii) "[L]*egal certainty*" is not at risk *in casu*. The arrangements appear transparent and no regulatory concerns under them, such as tax and compliance issues, have been reported by the Parties; and

(iii) All Employment Contracts pertain to individuals "*employed in football-specific roles*" (a head coach and two assistant coaches); they do not subject to FIFA's jurisdiction persons the RSTP was not intended to cover.

174. While these considerations suffice to reverse the PSC's findings, the Sole Arbitrator recalls that the Parties presented extensive views on whether the Employment Contracts were negotiated collectively or individually. To be sure, this is not crucial; what matters is how they were meant to be "*executed*", as clearly stated in Article 2.1 of Annex 2 to the RSTP.

175. In any event, for completeness, the Sole Arbitrator finds that the Employment Contracts were indeed negotiated individually: at the hearing, the Appellants affirmed that, while they were represented by the same agent during negotiations and were approached by the head coach to join the Respondent, they communicated their own compensation terms to their (common) agent, who then negotiated the contracts based on these terms.

176. In other words, while coordinated negotiations for all contracts took place, there is no evidence that the coach dictated the staff's financial terms, let alone that the negotiations ever resulted in the head coach concluding a collective contract on their behalf.

177. From the Pre-Employment Contract, it is of course apparent that, when substantive negotiations with the Respondent began, the head coach was aware of his staff's basic financial demands (since, again, they all had the same agent), and sought to ensure these numbers would be honoured.

178. Had he not done so, there would have been no guarantee of his staff eventually joining him, the financial terms of their engagement being uncertain. The coach's course of action is logical and fully in line with the RSTP's spirit and text.

179. The situation might have been different (i) had only one contract been signed after the Pre-Employment Contract, namely one between 1st Appellant and the Respondent, rendering the 2nd and 3rd Appellants fully dependent on the 1st Appellant, or (ii) had the contracts signed by the 2nd and 3rd Appellants contained no financial arrangements of their own. However, to reiterate, this is not the case here.

180. On a concluding note, the Sole Arbitrator is mindful of the repercussions of characterizing coordinated negotiations as constitutive of a "*group*" contract; this would dissuade coaches from forming stable coaching teams, which cannot be the intention behind Article 2.1 of Annex 2 to the RSTP.

181. The Sole Arbitrator, therefore, finds that the Employment Contracts were "*executed on an individual basis*", reverses the PSC's finding in all three Decisions that amounts due to the Appellants following the termination of their Employment Contracts cannot be calculated based on the terms of the Employment Contracts themselves, and finds that these amounts should be calculated pursuant to Article 8.2 of Employment Contract 1, Article 8.1 of Employment Contract 2 and Article 8.1 of Employment Contract 3 respectively.

f. The requested amounts are subject to reduction and/ or mitigation

i. Swiss law governs the characterization of the Employment Contracts and the consequences of such characterization in this dispute

182. The Parties have advanced multiple legal characterizations of Article 8.2 of Employment Contract 1, Article 8.1 of Employment Contract 2 and Article 8.1 of Employment Contract 3, using terms such as "*penalties*", "*indemnity*", "*liquidated damages*", "*compensation*" and "*buyout*".

183. As a consequence of their diverging characterizations, the Parties have also advanced varied arguments on the extent to which the amounts due to the Appellants under the above-mentioned provisions are subject to "*mitigation*" or "*reduction*".

184. Given the uncertainty surrounding the matter both in the current dispute and in CAS jurisprudence more broadly, the Sole Arbitrator finds it useful to briefly review the state of Swiss law.

185. For clarity, Swiss law applies since Article 6 of Annex 2 to the RSTP has been displaced through party agreement; indeed, this provision only governs the consequences of termination when the parties do not provide "*otherwise*" in their contracts.

186. While the provision does not explain the term "*otherwise*", an analogy can be drawn with the compensation regime of Article 17 of the RSTP, which applies "[i]*f the parties have not incorporated any specific provision regarding the compensation due in the event of the premature termination of the contract*" (RSTP Commentary, p. 178).

187. Here, the Parties have included specific compensation mechanisms in their contractual arrangements, as will be seen further below. Moreover, during the hearing, the Parties expressly confirmed that these mechanisms shall be subject to Swiss law.

188. As an additional clarification, the Sole Arbitrator shall rely, in particular, on Swiss employment law. In this regard, it is of course noted by FIFA in its RSTP Commentary that "*given the transient nature of their appointment, it is quite common that coaches do not execute employment contracts per se – some are characterised as mandates, freelance agreements or other types of contracts, whereas in other cases a coach may manage their business affairs through a private company*" (para. 559).

189. It should, in other words, not be lightly assumed that a coach's contract constitutes an employment agreement, whether under Swiss law or the *lex contractum*. This must be determined on a case-by-case basis, based on the contract's express terms, object and purpose.

190. In the present case, however, the term "*employment relationship*" repeatedly features throughout the relevant contracts, the term "*Employment*" appears in their title, and the contracts contain references to worker safety rules (such as the "*rules on Occupational Safety and Medicine*").

191. Moreover, during the hearing, the Respondent confirmed that it must comply with local "*labour*" laws when executing the Employment Contracts, something the Appellants have not contested.

192. In this light, to determine the precise nature of the Employments Contracts and the extent to which the termination fees under them are subject to mitigation or reduction, Swiss employment law shall be consulted, especially given the RSTP's limited guidance on the matter.

193. Several interpretative possibilities exist under Swiss employment law for a clause governing the requirements and consequences of unilateral termination by the employer.

194. *First*, such a clause may simply reflect the general rule of Article 337c.1 of the CO, which reads as follows: "[w]*here the employer dismisses the employee with immediate effect without good cause, the employee is entitled to damages in the amount he would have earned had the employment relationship ended after the required notice period or on expiry of its agreed duration*".

195. This provision establishes "*damages*" (also translated as "*indemnities*") for immediate termination without good cause; these "*damages*"/ "*indemnities*", according to the SFT, fall within the category of "*domages et intérêts*", the purpose of which is to "*place the employee in the same position as if the contract had remained in force until the next contractual term*" (Donatiello, Art. 337c CO (2021), para. 2).

196. They thus include "*not only the salary, but also the reimbursement for all other benefits arising from the employment contract (e.g., bonuses, severance pay, equal treatment in severance entitlements, and payment in lieu of unused vacation)*" (Tercier, Bieri, Carron, *Les contrats spéciaux* (5th ed.), para. 3117).

197. These general damages under Article 337c.1 of the CO are subject to a "*reduction*" (most commonly referred to as "*mitigation*") under Article 337c.2, as repeatedly affirmed in CAS case law (see CAS 2022/A/8963, para. 121, for a recent example); in particular, as stated in Article 337c.2, they *"are reduced by any amounts that the employee saved as a result of the termination of the employment relationship or that he earned by performing other work or would have earned had he not intentionally foregone such work*".

198. *Second*, Article 337c.3 of the CO provides for an "*additional indemnity*" of up to six months' worth of salary. This provision has a punitive/dissuasive character and is akin to a "*contractual penalty*" (Donatiello, Art. 337c CO (2021), para. 15), a notion further regulated in Articles 160 *et seq.* of the CO.

199. Article 337c.3 is "*relatively mandatory*", in the sense that more favourable terms for the employee (but not the employer) can be agreed (SFT 4A_608/2010, c. 2.1). In practice, parties in sports contracts often conclude contractual penalties higher than what is prescribed under Article 337c.3.

200. However, CAS panels have routinely subjected such penalties to reduction under Article 163.3 of the CO (see CAS 2022/A/8754, paras. 131 and 132, for a recent example), which reads as follows: "[a]*t its discretion, the court may reduce penalties that it considers excessive*".

201. *Third*, Swiss law recognizes the notion of liquidated damages clauses ("*indemnisation forfaitaire*"). While the terms "*liquidated damages*" and "*penalty clause*" are often used interchangeably (as noted in CAS 2013/A/3411, para. 94), a distinction among them exists in contractual practice: as stated in CAS 2017/A/5493, "[t]*he purpose of a liquidated damages clause is to compensate one party for an anticipated damage, whereas a penalty clause goes beyond that, an additional penalty is included to encourage performance of the contractual obligation*" (para. 78).

202. Prominent Swiss commentators confirm this distinction as a matter of Swiss law, as follows:

> "*The parties may fix the amount of the loss, respectively the damages in the contract as a lump sum (liquidated damages; pauschaler Schadenersatz, indemnisation forfaitaire, risarcimento forfettario). Liquidated damages are to be distinguished from the penalty clause (Konventionalstrafe; clause pénale, peine conventionnelle; pena convenzionale), which allows for the award of a predetermined amount even in the absence of loss*" (Müller and Pearson-Wenger, Swiss Contract Law in International Commercial Arbitration (2023), para. 451).

203. Others, similarly, phrase it as follows:

> "*The contractual penalty must be distinguished from the contractual determination of damages (Schadenpauschalierung). The parties agree on the amount of the damage. This amount can be calculated in an absolute way (the creditor cannot prove additional damage; the debtor cannot invoke actual lower damage to reduce the compensation) or in a relative way (the parties remain free to prove damage that is higher or lower than the agreed compensation). Whereas the penalty clause is a means of exerting pressure on the debtor and primarily serves the creditor's interest in the performance of the main obligation* […]*, the lump-sum compensation agreement serves the interests of both parties: the creditor does not need to prove the extent of their damage, and the debtor knows in advance the price to pay in the event of improper performance of the main obligation*" (Mooser, Art. 160 CO (2021), para. 4).

204. In essence, as applied to employment contracts, a liquidated damages clause merely facilitates the calculation of the "*damages*"/ "*indemnity*" foreseen in Article 337c.1 of the CO. The creditor must still prove the existence of harm to possess an entitlement to liquidated damages, but is not required to establish their quantum.

205. In practice, distinguishing between a liquidated damages and penalty clause may present challenges; where Swiss law applies, the clause must be construed in accordance with the ordinary interpretative rules of Article 18 of the CO, with the law establishing no presumption in favour of either notion (Mooser, Art. 160 CO (2021), para. 4).

206. In employment contracts, the key consequence of this distinction is that penalties may be reduced under the clear application of Article 163(3) CO. By contrast, according to the SFT, a reduction in liquidated damages (by applying this provision analogously) is permissible only if the actual loss is "*significantly lower*" than the agreed amount (SFT 4A_601/2015, c. 2.3.3), *i.e.*, the salary and other benefits.

207. Some authors, most notably Couchepin (*La forfaitisation du dommage*, 2009, p. 16), further argue that such a reduction is possible only when the quantification of the relevant amount is reflected in the contract in an "*absolute*" manner (*i.e.*, the amount is clearly pre-determined and does not require extensive factual assessment).

208. *Fourth*, Swiss law recognizes the notion of "*dédit consensuel*" under Article 160.3 of the CO, which reads as follows: "[t]*he foregoing* [*i.e.*, Article 160.2] *does not apply if the debtor can prove that he has the right to withdraw from the contract by paying the penalty*".

209. This notion affords parties the freedom to agree that either of them may liberate itself from a contract by paying a pre-agreed monetary sum, without committing a contractual breach.

210. A 'liberation' of this kind only becomes effective once the sum is paid in full (Nafissi, *La tierce propriété des droits économiques dans le football professionnel* (2021), para. 403), while reduction of the relevant sum is not possible under Article 163.3 of the CO, but only under the stricter requirements of the general principle of good faith (Nafissi, Contractual aspects of the buyout clause (2017), p. 27)

211. *Finally*, contractual practice recognizes so-called "*buy-out*" clauses. As discussed in FIFA's RSTP Commentary:

> "'[B]*uy-out' clauses grant a right to the player to terminate the contractual relationship prematurely in return for payment of a predetermined sum that is stipulated in the contract. In this case, parties are not setting an amount of compensation to be paid to compensate for a breach, but rather are agreeing in advance upon the conditions of a "mutual termination", i.e. consent is given in advance to terminate the contract in the future in return for a specified payment. The key practical difference between a liquidated damages clause and a buy-out clause is that in the case of the former, there may still be a breach of contract (thus possibly triggering sporting sanctions), whereas in the case of the latter, there is a pre-agreed mutual contract termination which cannot trigger sporting sanctions*" (p. 176).

212. FIFA's RSTP Commentary notes that "*buy-out*" are "*distinct*" from other concepts, such as "*liquidated damages*" (pp. 173-177). However, in commercial practice, a clause will often display mixed characteristics, liberating a party from sporting sanctions on the one hand while also employing compensatory or dissuasive language on the other.

213. Moreover, under Swiss law, "*buy-out*" clauses do not form a distinct legal category, and it will always be necessary to determine, on a case-by-case basis, whether such a clause reflects a penalty, liquidated damages or a form of "*dédit consensuel*". This determination must be made pursuant to Article 18 of the CO.

ii. The 1st Appellant's requested amount is subject to reduction

214. Turning to the present case, and beginning with the clauses governing unilateral termination in the case of the 1st Appellant (Articles 8.1 and 8.2 of Employment Contract 1), the relevant text reads as follows:

"*8.1. The Parties, based on free stipulation and hypersufficiency, mutually establish that even though the contract is for a fixed period, either Party will have a reciprocal right to terminate it early, immediately and without just cause, applying the principles that govern the termination of contracts for an indefinite period (with the exception of the value of the fine/compensation due which is agreed upon), through simple notification to the other, and the PARTY that gives rise to termination must pay the other, by way of compensation for the early termination of this contract, the compensation provided for in Clauses 8.2. or 8.3, depending on whether the termination takes place during the 2024 season or during the 2025 season, respectively.*

8.2. In the event that this instrument is terminated unilaterally and without just cause by either PARTY, in the 2024 season, the PARTY that gives rise to the termination must pay the other, as compensation, the days due until the end of the contract (i .é, 31.12.2024), the value of EUR 850,000.00 (eight hundred and fifty thousand euros) liquids/net, a value that already includes the indemnified prior notice.

Sole paragraph: By way of example and for the avoidance of doubt, in the event that the contract is terminated on the initiative of VASCO, on 05/30/2024, and considering that between 05/30/2024 and 12/31/2024 there are 216 days, then VASCO will pay the above fine to the COACH, with the guarantees provided for in Clause 2.5. above, in the proportion of 216/226 (two hundred and sixteenths of two hundred and twenty-sixths) days, as there would still be 216 (two hundred and sixteenth) days of work until the end of the Employment Contract on 12/31/2024".

215. The reference to "*free stipulation and hypersufficiency*", as well as to the Parties' "*reciprocal right to terminate* [Employment Contract 1] *early*", renders it clear that termination forms part of the Parties' contractual freedom and does not constitute a breach of contract.

216. These provisions, therefore, feature the most typical characteristic of a "*buy-out*" clause: the express right of premature unilateral termination without cause. As such, no sporting sanctions can be imposed on account of the Respondent's premature termination of Employment Contract 1.

217. Whether sporting sanctions could be imposed due to the non-payment of the amount foreseen in the above-stated provisions is a separate question, which the Sole Arbitrator shall not assess; the 1st Appellant does not advance such a specific request, instead formulating but a generic request for "*sporting sanctions*", while furnishing no explanation of the requested type of sanction and its duration, the precise triggering event and its legal basis in the RSTP.

218. In any event, according to the prevailing view in CAS case law, "*third parties have no legally protected interest in order to request that a sporting sanction be pronounced by FIFA",* while such sanctions are *"solely within FIFA's prerogative* […] *from the perspective that sports governing bodies shall be given a certain reasonable degree of deference, in order to determine if and what sanctions are warranted in a concrete case upon a party*" (CAS 2019/A/6533, paras. 149 and 150).

219. The fact that Articles 8.1 and 8.2 of Employment Contract 1 display "*buy-out*" characteristics does not, however, exhaust the discussion, since again, "*buy-out*" does not represent a distinct legal notion under Swiss law; to determine the possibility of reduction or mitigation, it is still necessary to properly characterize these clauses under Swiss law.

220. In this regard, the scenario of a simple damages/indemnity clause pursuant to Article 337c.1 of the CO can be discarded outright; the clauses in question do not simply restate this provision's general compensation obligation, but rather provide a fixed (though pro-rated) number.

221. Moreover, the clauses do not squarely fit within the traditional understanding of a "*dédit consensuel*". While indeed establishing a clear contractual right to termination, they do not foresee payment as a precondition thereof. Termination is triggered by a "*simple notification*", and the "*compensation*" or "*fine*" established in the clauses shall be paid merely "*in the event*" of termination (*i.e.*, *ex post*).

222. Finally, while the term "*fine*" features in the clauses, so does the term "*compensation*". There are, accordingly, no compelling textual grounds suggesting a penalty arrangement under Articles 337c.3 and 160 of the CO. Construing the clauses as such an arrangement would also appear incompatible with their overall flexibility; to reiterate, they set out a highly permissive regime for unilateral immediate termination without just cause.

223. In the same vein, the clauses reference an "*indemnified prior notice*", which evidences the Parties' intent to indemnify each other for the consequences of lack of notice more than dissuade termination.

224. It is equally notable in this regard that the Pre-Employment Contract adheres to the fact that, at the time of its conclusion, the 1st Appellant was under contract with a different club (see, *e.g.*, Article 1.1 thereof); this suggests that one of the 1st Appellant's key concerns when signing with the Respondent was loss of opportunity with his previous club, pointing in turn to a compensatory rather than dissuasive intent behind the termination arrangements of Employment Contract 1.

225. In light of the above, Articles 8.1 and 8.2 of Employment Contract 1 constitute a liquidated damages arrangement under Swiss law; accordingly, the 1st Appellant must provide proof of actual harm to recover the amounts foreseen in them.

226. The 1st Appellant has successfully done so, in the Sole Arbitrator's view. It is indeed undisputed that the 1st Appellant was under contract with Vitória Sport Clube/ Vitória de Guimarães Vitoria (see, *e.g.*, the "*SALARY COMPOSITION*" table featuring on p. 52

of the 1st Appellant's Appeal Brief); therefore, the 1st Appellant lost salaries by terminating his previous contract and signing with the Respondent, only for the Respondent to dismiss him within a month following his starting day.

227. Moreover, the Respondent's unilateral termination was immediate, resulting in an employment gap until the effective date of his new contract with Al-Orobah (21 June to 15 July 2025); it is therefore clear that the 1st Appellant was prejudiced by the Respondent's conduct.

228. The 1st Appellant's liquidated damages for this prejudice must nonetheless be reduced pursuant to Article 163.3 of the CO, being substantially higher than the salaries the 1st Appellant would have earned had Employment Contract 1 run its full course.

229. Specifically, pursuant to Article 2.5 of Employment Contract 1, the 1st Appellant's total remuneration (including benefits) for the period from 20 May to 31 December 2024 amounted to EUR 584,000. By contrast, liquidated damages for the same period are to be calculated on a pro-rated basis from EUR 850,000.

230. Accordingly, if the Respondent had unilaterally terminated the contract on the very first day of its term, the 1st Appellant would, in theory, have been entitled to no less than EUR 850,000; this amount is 45.55% higher than his (non-earned) entire salary with benefits, which does not stand to reason. Importantly, the 1st Appellant does not present evidence that the opportunity cost of leaving Vitoria for the Respondent matched this extremely high amount.

231. Relatedly, although the requirement that the damages be liquidated in "*absolute*" terms is contested, the Sole Arbitrator notes, for completeness that Employment Contract 1 clearly sets the amount of the damages based on a pre-defined reference figure, affording no calculative discretion to its reader.

232. Concerning the appropriate level of reduction, no concrete guidelines have emerged to date from CAS or Swiss case law. The matter is thus left to the discretion of the Sole Arbitrator, who must nonetheless ensure that the final amounts would not be inferior to the actual damage recoverable under the law (Mooser, Art. 163 CO (2021), para. 9), *i.e.*, the lost salaries and benefits of Article 2.5 of Employment Contract 1.

233. The Sole Arbitrator notes that, in general terms, CAS panels have accepted penalties corresponding to 10-25% of the contractual price (see, *e.g.*, CAS 2010/A/2317 para. 38; CAS 2017/A/5233, para. 65, discussing the case of Pencil Hill v. Palermo), in addition to remaining lost wages and other benefits.

234. Moreover, important elements when determining the appropriate rate of reduction, according to the SFT, include the creditor's interest in performance (SFT 4C.5/2003, c. 2.3.1), the gravity of the violation, the gravity of fault and the parties' relative economic situation (SFT 91 II 372, c. 11).

235. Here, the Respondent possessed a clear contractual right to terminate Employment Contract 1 in the manner that it did (which precludes any violation and fault), whereas

the 1st Appellant provided limited information about its concrete interest in ordinary performance, other than the obvious entitlement to salaries and benefits of Article 2.5 of Employment Contract 1.

236. In particular, the 1st Appellant did not provide sufficient information about the prejudice caused by his loss of opportunity under the previous contract with Vitória Sport Clube/Vitória de Guimarães, or by his idle time until the Al-Orobah contract. The only relevant economic element on record is that the 1st Appellant was in a subordinate relationship with the Respondent, as an employee.

237. Thus, the Sole Arbitrator finds it appropriate to reduce the liquidated dagames owed to the 1st Appellant to the amounts which would have been due under Article 2.5 of Employment Contract 1 in case of natural expiry, plus 10%. A percentage higher than this typical rate could give rise to excessiveness within the meaning of Article 163.3 of the CO.

238. To be sure, the former part of the damages (salaries which would have been due) cannot be contractually waived, even if Article 8.5 of Employment Contract 1 suggests that "*remuneration to which* [the 1st Appellant] *would be entitled until the end of the contract*" shall not be claimed. Article 337c.1 of the CO is "*relatively mandatory*", in favour of the employee (Donatiello, Art. 337c CO (2021), para. 22).

239. Given the above, the reference figure of EUR 850,000, based on which the *per diem* liquidated damages are calculated, shall be replaced with that of EUR 642,400 (EUR 584,000 + 10%). Divided by 226 (*i.e.*, the total duration of Employment Contract 1), this means EUR 2,840.70 per day.

240. The remaining duration of Employment Contract 1 at the time of termination was 194 days; accordingly, the Respondent owes and must pay to the 1st Appellant EUR 551,095.80 (EUR 2,840.70 x 194).

241. As a final matter, it must be clarified that no mitigation can be applied on this amount under Article 337c.2 of the CO. As noted in CAS 2019/A/6533, "*the obligation to mitigate the loss in case of unilateral termination of an employment relationship without cause is* […] *not a mandatory rule and parties are entitled to derogate*" (para. 130).

242. In that case, facing a clause which entitled the player to the remaining salaries in case of unilateral termination (characterized as a "*liquidated damages*" clause at para. 125 of the award), the Sole Arbitrator ruled that the player was "*not required to mitigate his damages*" since these had been "*expressly decided in advance*" (paras. 132 and 133).

243. The case is similar here, the only difference being that the clause in question essentially adds an uptick of 45.55% to the remaining salaries (a percentage which the Sole Arbitrator has, in any event, reduced to 10% by virtue of Article 163.3 of the CO, as seen above).

244. Similarly, no mitigation can be applied under Article 6.2 of Annex 2 to the RSTP, which regulates the consequences of unilateral termination without cause only where the

contract itself does not provide "*otherwise*"; here, Employment Contract 1 does provide "*otherwise*", seeing as it fixes the damages through an "*absolute*" liquidated damages clause with clear pro-rated numbers.

245. With respect to interest, the 1st Appellant claims 5% from 21 June 2024 until effective payment. The 1st Appellant does not clarify whether interest should be simple or compounded, and whether it should run annually or on a quarterly basis.

246. Under Swiss law, interest is governed by Article 104(1) of the CO, which provides that "[a] *debtor in default on payment of a pecuniary debt must pay default interest of 5% per annum even where a lower rate of interest was stipulated by contract*".

247. The Parties have not agreed on an applicable interest rate in their contract, such that the statutory simple rate of 5% per annum established in Article 104(1) of the CO shall apply. According to the same provision, interest starts to run on the day the debtor is in default.

248. The 1st Appellant formally requested payment by virtue of a warning letter of 29 July 2024 (A1-18, p. 22), setting a payment deadline of 10 days; therefore, the Respondent went into payment default on 9 August 2024. Interest under Article 104(1) of the CO shall run as of that date, until full payment.

iii. The amounts requested by the 2nd and 3rd Appellant are subject to mitigation

249. The Sole Arbitrator now turns to Employment Contracts 2 and 3. With respect to situations where the contract is terminated by the Respondent immediately and without cause at a time when the 1st Appellant himself is no longer employed by the Respondent, the following applies:

"*The Parties, based on free stipulation and hypersufficiency, mutually establish that although the contract is for a fixed term, either Party shall have the reciprocal right to terminate it early, immediately and without just cause, applying the principles governing the termination of contracts for an indefinite term, by simply notifying the other Party, in which case no fine or indemnity shall be due from Party to Party*" (Employment Contract 2, Article 8.1 in relevant part).

"*The Parties, based on free stipulation and hypersufficiency, mutually establish that even though the contract is for a fixed period, either Party will have a reciprocal right to terminate it early, immediately and without just cause, applying the principles that govern the termination of contracts for an indefinite period, upon simple notification to the other party, in which case no fine or compensation will be due from Party to Party*" (Employment Contract 3, Article 8.1 in relevant part).

250. A different arrangement is foreseen in case the 1st Appellant remains employed by the Respondent at the time of the 2nd or 3rd Appellant's dismissal, with the "*Sole paragraph*" of both Articles setting a liquidated amount. This arrangement is irrelevant here.

251. The provisions presented above constitute "*buy-out*" clauses, establishing clear termination rights similar to those applicable to the 1st Appellant; however, they differ from Article 8.1 of Employment Contract 1 in that they do not liquidate the amounts due, instead referring to the general statutory rules applicable to early termination.

252. They, therefore, foresee a calculation based on Article 337c.1 of the CO, mitigation based on Article 337c.2, and a possible discretionary penalty based on Article 337c.3.

253. In this regard, the 2nd Appellant was entitled to EUR 63,000 in salary and benefits under Article 2.4.a of Employment Contract 2, and EUR 6,636.64 in housing allowances under Article 2.8 (as converted into EUR in Exhibit A2-3). For the remainder of the contract at the time of termination, this meant EUR 59,776.58.

254. However, as noted by the PSC:

> "[T]*he Coach found employment with Saudi Arabian Club Al-Orobah. In accordance with the pertinent employment contract, the coach was entitled to approximately USD 10,909.10 net per month. Therefore, the Chamber concluded that the Coach mitigated his damages in the total amount of USD 60,000.05 net, that is, USD 10,909.10 net times 5.5 months. The Chamber determined that this compensation converted to approximately EUR 55,116 net at the time of signing the new contract*" (PSC Decision 2, para. 54).

255. Therefore, after mitigation, the amount due to the 2nd Appellant is EUR 4,660.58, as also held by the PSC (PSC Decision 2, para. 56). The Sole Arbitrator sees no reason to apply a discretionary penalty on top of this amount against the Respondent, no circumstances justifying such a penalty under Article 337c.3 of the CO having been raised by the 2nd Appellant. PSC Decision 2 is partially upheld.

256. In turn, the 3rd Appellant was entitled to EUR 105,000 in salary and benefits under Article 2.4.a of Employment Contract 3, and EUR 6,636.64 in housing allowances under Article 2.8 (as converted into EUR in Exhibit A3-4). For the remainder of the contract at the time of termination, this meant EUR 95,829.68.

257. However, as noted by the PSC:

> "[T]*he Coach found employment with Saudi Arabian Club Al-Orobah. In accordance with the pertinent employment contract, the coach was entitled to approximately USD 18,545,45 net per month. Therefore, the Chamber concluded that the Coach mitigated his damages in the total amount of USD 101,999.98 net, that is, USD 18,545,45 net times 5.5 months. The Chamber determined that this compensation converted to approximately EUR 93,697.18 net at the time of signing the new contract*".

258. Therefore, after mitigation, the amount due to the 3rd Appellant is EUR 2,132.50, as also held by the PSC (PSC Decision 3, para. 56). The Sole Arbitrator sees no reason to apply a discretionary penalty on top of this amount against the Respondent, no circumstances justifying such a penalty under Article 337c.3 of the CO having been raised by the 3rd Appellant. PSC Decision 3 is partially upheld.

259. Lastly, no sporting sanctions can be imposed for the Respondent's termination of Employment Contracts 2 and 3, which contain buy-out clauses, as no substantiation is offered (and, in any case, no legal interest is established) for sanctions due to the non-payment of the (mitigated) amounts.

260. With respect to interest, since the warning letters by the 2nd and 3rd Appellants were also sent on 29 July 2024 with a 10-day deadline (Exhibit A2-18, p. 22; Exhibit A3-18, p. 29), as in the case of the 1st Appellant, simple interest is due as of 9 August 2024 at 5% annually, until full payment. Therefore, the relevant appealed decisions are amended in this regard.

g. The 1st Appellant's claim for the advance payment requires no decision; in any event, any decision on it would exceed the scope of Decision 1

261. As discussed in paras. 103 and 104 above, the 1st Appellant requests an amount of EUR 50,000 as an allegedly unpaid advance salary; this claim was not raised before the PSC, and the question before the Sole Arbitrator presently is whether it can still be pursued before CAS.

262. During the hearing, the 1st Appellant justified its failure to request this amount before the PSC on the ground that it constitutes merely an alternative claim, which it advances in case mitigation of the amounts due under is not ordered and the "*group*" contract argument is rejected.

263. In its Appeal Brief, the 1st Appellant stated in this regard that it would have raised the issue had the PSC ordered a second round of submissions, in which it would have the opportunity to reply to the Respondent's arguments regarding "*group*" contracts and mitigation (1st Appellant's Appeal Brief, para. 384).

264. The 1st Appellant's position is contradictory; if the advance should only be paid in the event that the "*group*" contracts argument is accepted, then it is not clear why the 1st Appellant is requesting this amount on top of the amount of the full amount of EUR 729,111.11 in his prayer for relief. The 1st Appellant's oral request contradicts that of its written submissions.

265. Leaving this contradiction aside, if the 1st Appellant's oral position is to be followed, the Sole Arbitrator has not accepted the arguments concerning "*group*" contracts and therefore there has been no mitigation (the claim indeed has been reduced, which, again, is a different concept than mitigation). As such, if the Sole Arbitrator is meant to understand the claim as valid only in event of mitigation (because of the "*group*" contract scenario), no decision is needed, since the 1st Appellant does not claim the relevant amount in this case.

266. If the 1st Appellant's written position is to be followed instead, the claim would exceed the scope of Decision 1; the 1st Appellant does not convincingly explain why, allegedly, it could not have raised this claim before the PSC without a second round of submissions. The 1st Appellant filed a lengthy submission making no reference

whatsoever to an "*advance*" payment and an extra sum of EUR 50,000, and requesting only EUR 729,111.11.

267. The only explanation on record relates, again, to the alleged alternative nature of the advance payment; but this, even if true, would not have precluded the 1st Appellant from still formulating a complete prayer for relief in its first submission before the PSC, including the amount of EUR 50,000 (cumulatively, alternatively, or in any other fashion), as the 1st Appellant indeed did in these proceedings before CAS.

268. In light of the above, even accepting the 1st Appellant's written position over his oral one, the claim should be dismissed; this is because, "*in reviewing a case in full, a Panel cannot go beyond the scope of the previous litigation and is limited to the issues arising from the challenged decision*" (CAS 2012/A/2875, para. 53).

269. Moreover, "[n]*ew claims advanced in appeal, hitherto not claimed in the previous litigation, are in principle inadmissible*", barring any "*legitimate reasons*" to the contrary (CAS 2021/A/8453, paras 133, 138).

270. Here, since the 1st Appellant opted not to present a claim for the alleged advance payment before the PSC (as a result of which the PSC did not produce a ruling in this sense), said claim does not arise from the challenged decision.

271. Crucially, no legitimate reasons are presented for the 1st Appellant's omission; therefore, no ruling on this claim can be made in the present proceedings, as it would exceed the scope of the previous litigation. The claim is hereby dismissed as inadmissible.

IX. COSTS

(…)

ON THESE GROUNDS

The Court of Arbitration for Sport rules that:

1. The appeal filed by Alvaro Adriano Teixeira Pacheco on 17 December 2024 in procedure CAS 2024/A/11078 Alvaro Adriano Teixeira Pacheco v. Vasco da Gama Sociedade Anônima Do Futebol is partially upheld;

2. The FIFA Players' Status Chamber's Decision Nr. FPSD-15559 of 29 October 2024 is partially set aside;

3. The FIFA Players' Status Chamber's Decision Nr. FPSD-15559 of 29 October 2024 is amended as follows: "*3. Vasco da Gama Sociedade Anônima do Futebol owes and shall pay to Alvaro Adriano Teixeira Pacheco the amount of EUR 551,095.80 with 5% simple annual interest from 9 August 2024 until the date of full payment*";

4. (…);

5. (…);

6. The appeal filed by José Miguel Carvalho Teixeira on 17 December 2024 in procedure CAS 2024/A/11079 José Miguel Carvalho Teixeira v. Vasco da Gama Sociedade Anônima Do Futebol is partially upheld;

7. The FIFA Players' Status Chamber's Decision Nr. FPSD-15627 of 29 October 2024 is partially set aside;

8. The FIFA Players' Status Chamber's Decision Nr. FPSD-15627 of 29 October 2024 is amended as follows: "*3. Vasco da Gama Sociedade Anônima do Futebol shall pay to José Miguel Carvalho Teixeira 5% simple annual interest on the principal amounts, from 9 August 2024 until full payment*";

9. (…);

10. (…);

11. The appeal filed by Pedro Valdemar Vasconcelos Pinto da Cunha Teixeira on 17 December 2024 in procedure CAS 2024/A/11081 Pedro Valdemar Vasconcelos Pinto da Cunha Teixeira v. Vasco da Gama Sociedade Anônima do Futebol is partially upheld;

12. The FIFA Players' Status Chamber's Decision Nr. FPSD-15626 of 29 October 2024 is partially upheld;

13. The FIFA Players' Status Chamber's Decision Nr. FPSD-15626 of 29 October 2024 is amended as follows: "*3. Vasco da Gama Sociedade Anônima do Futebol shall pay to Pedro Valdemar Vasconcelos Pinto da Cunha Teixeira 5% simple annual interest on the principal amounts, from 9 August 2024 until full payment*";

14. (…);

15. (…);

16. All other motions or prayers for relief are dismissed.

Seat of arbitration: Lausanne, Switzerland

Date: 4 November 2025

THE COURT OF ARBITRATION FOR SPORT

Giulio Palermo
Sole Arbitrator