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

CAS 2024/A/10785 FC Durham Academy v. New York Red Bulls

ARBITRAL AWARD

delivered by the

COURT OF ARBITRATION FOR SPORT

sitting in the following composition:

Sole Arbitrator: José Luis **Andrade**, Attorney-at-Law, Porto, Portugal

in the arbitration between

FC Durham Academy, Canada
Represented by Mr Jan Schweele, Attorney-at-Law at Berlin Sports Law, Lisbon, Portugal

Appellant

and

New York Red Bulls, USA
Represented by Mr Stuart Baird, Attorney-at-law at Centrefield LLP, Manchester, United Kingdom

Respondent

TRIBUNAL ARBITRAL DU SPORT
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I. THE PARTIES

1. FC Durham Academy (the "Appellant") is a football club from Canada, affiliated to the Canadian Soccer Association ("CSA"), which in turn is a member association of the *Fédération Internationale de Football Association* ("FIFA").

2. New York Red Bulls ("Respondent" or "NYRB") is a professional football club, affiliated to the United States Soccer Federation ("USSF"), which in turn is also a member of FIFA.

II. KEY FACTS

A. Relevant Background

3. Mr O'Vonte Mullings (hereinafter, "the Player") is a professional football player born in Canada on 9 October 2000.

4. From May 2015 until December 2018, the Player was trained by the Appellant, as an amateur player.

5. On 18 December 2023, the player signed an employment contract with the New York Red Bulls II ("NYRB II"), valid from 1 January 2022 until 30 November 2022. NYRB II was, at the time, a member of the United Soccer League Championship ("USL Championship"), which effectively constituted then a second tier in US football.

6. On 1 January 2022, the Player was registered with NYRB II. This was the Player's first registration as a professional player.

7. On 26 May 2022, the Player joined NYRB on loan from NYRB II. NYRB is a club competing in the Major League Soccer ("MLS"), the US football top division.

8. NYRB II now participates in the MLS Next Pro, whilst NYRB remains currently in the MLS.

B. Proceedings before the FIFA Dispute Resolution Chamber

9. On 28 February 2023, the Appellant lodged a claim before the FIFA Dispute Resolution Chamber ("FIFA DRC") requesting training compensation pursuant to the FIFA Regulations on the Status and Transfers of Players (hereinafter, the "FIFA RSTP"), in view of the Player's first professional registration with the Respondent.

10. The Appellant requested the payment of USD 100,191.79 as training compensation, plus interest.

11. On 25 January 2024, the FIFA DRC rendered its decision ("Appealed Decision"), the grounds of which were communicated to the Appellant on 17 July 2024.

12. The FIFA DRC essentially considered that NYRB and NYRB II are not the same "club" and that, therefore, the Respondent did not have standing to be sued as the Player was registered

with NYRB II and not with NYRB. The FIFA DRC consequently rejected the Appellant's claim.

III. PROCEEDINGS BEFORE THE COURT OF ARBITRATION FOR SPORT

13. On 7 August 2024, the Appellant filed its statement of appeal against the Respondent, with respect to the Appealed Decision in accordance with Article R47 et seq. of the Code of Sports-related Arbitration (2023 edition) (the "Code"). The Appellant requested to submit this matter to a Sole Arbitrator.

14. The Respondent did not submit any position with regards to the Appellant's request for a Sole Arbitrator to be appointed. By letter dated 2 September 2024, the Parties were informed that the Division President, taking into account all the circumstances of the case, had decided to submit this matter to a Sole Arbitrator, pursuant to Article R50 of the Code.

15. On 9 September 2024, the Appellant filed its Appeal Brief, pursuant to Article R51 of the Code.

16. By letter dated 11 September 2024, the CAS Court Office notified the Respondent of the Appeal Brief. This letter was sent by e-mail, with an indication that the Appeal Brief and its exhibits would also be made available on the E-filing platform. The letter indicated expressly that *"Unless the CAS Court Office hears otherwise from the respondent, the CAS Court Office shall consider that the exhibits have been accessed".* and stated that the Respondent would have 20 days to file its Answer pursuant to Article R55 of the Code.

17. On 16 September 2024, the Respondent requested that its time limit to file the Answer be set aside and that a new deadline be fixed after the Appellant's payment of its share of the advance of costs, pursuant to Article R55.3 of the Code.

18. On 18 September 2024, the CAS Court Office confirmed that the Respondent's time limit to file the Answer was set aside and that a new deadline would be fixed after the Appellant would pay its share of the advance of costs, pursuant to Article R55.3 of the Code. The CAS Court Office also confirmed that, upon the Respondent's request, two members of the Respondent's legal team were being added as recipients of the communications sent by the CAS Court Office (including in this letter of 18 September 2024).

19. On 4 October 2024, the Respondent was informed by the CAS Court Office that the Appellant had paid its share of the advance on costs and that, accordingly, the Respondent would now have 20 days to file its Answer as from receipt of the letter by e-mail. This letter was sent to four representatives of the Respondent, including the two members of its legal team as referenced above, and a representative of the MLS. As is customary, the letter expressly stated that the Answer would have to be filed by courier or uploaded on the CAS e-Filing platform and that *"[i]f the Respondent fails to submit its Answer by the given time limit, the Sole Arbitrator may nevertheless proceed with the arbitration and deliver an award".*

20. On 25 October 2024 (although the letter in question is dated 24 October 2024), the Respondent

sent a letter to the CAS Court Office stating as follows: *"We are currently preparing the Respondent's Answer, which we calculate is to due to be submitted to CAS by 24 October 2024. However, due to the continuation of active settlement discussions between the parties, the Respondent will not be in a position to finalise their Answer by the current deadline. We therefore write to respectfully request an extension of fourteen days (i.e. until 7 November 2024) in accordance with Article R32 of the CAS Code to file the Respondent's Answer"*. The Respondent further indicated that it had engaged the law firm Centrefield LLP to represent it in these proceedings and that, from then on, all correspondence should be directed to Centrefield.

21. On 25 October 2024, the CAS Court Office informed the Respondent that the deadline to file the Answer had expired on 24 October 2024 and that the extension request had only been received on 25 October 2024. The CAS Court Office therefore indicated that the extension request had been filed late and that there was consequently no possibility to extend the deadline under the Code. The CAS Court Office therefore invited the Appellant to indicate whether it would accept that a new deadline of 14 days be granted to the Respondent to file its Answer and indicated that, in case of disagreement, it would be for the Sole Arbitrator to decide.

22. On 29 October, the Appellant informed the CAS Court Office that it objected to a new deadline being given to the Respondent to file its Answer.

23. On 30 October 2024, the CAS Court Office informed the Parties that, in view of the disagreement, it would be for the Sole Arbitrator to decide the matter.

24. On the same day (30 October 2024), the Respondent made certain observations regarding the time limit to file the Answer, essentially requesting that the extension request be deemed to have been filed prior to the expiry of the original deadline or that, in the alternative, a new deadline be granted to the Respondent. The Respondent also requested that the CAS request the full case file from FIFA.

25. On 1 November 2024, the CAS Court Office acknowledged receipt of the Respondent's observations regarding the time limit to file the Answer and noted, once again, that this was a matter for the Sole Arbitrator to decide upon.

26. On 6 November 2024, the CAS Court Office, on behalf of the Deputy President of the CAS Appeals Arbitration Division, confirmed the constitution of the Panel as follows:

    Sole Arbitrator: Mr José Luis Andrade, Attorney-at-Law, Porto, Portugal.

27. On 20 November 2024, the Parties were informed by the CAS Court Office that the Sole Arbitrator had decided to reject the Respondent's request to be granted a new time limit of fourteen days for the filing of its Answer and that the reasons for the Sole Arbitrator's decision would be provided in the final award.

28. On the same day (20 November 2024), the CAS Court Office requested, on behalf of the Sole Arbitrator, for FIFA to submit a copy of the entire case file.

29. On 9 December 2024, the Parties were informed that, pursuant to Article R57 of the Code, the Sole Arbitrator has decided to hold a hearing, which would be held by videoconference.

30. On 16 December 2024, the Parties were informed that the hearing would take place on 4 February 2025, by videoconference.

31. On 27 December 2024, the Appellant returned a duly signed copy of the Order of Procedure.

32. On 9 January 2025, the Respondent returned a duly signed copy of the Order of Procedure.

33. On 16 January 2025, the Respondent proposed a tentative hearing schedule.

34. On 3 February 2025 (i.e. one day prior to the hearing), the Respondent submitted four documents.

35. On the same day (i.e. 3 February 2025), the CAS Court Office informed the Parties that (i) the new documents submitted by the Respondent were being sent to the Sole Arbitrator for his consideration and (ii) considering that the Appellant had not submitted any observations to the Respondent's proposed hearing schedule, its silence was deemed an acceptance thereof.

36. On 4 February 2025, a hearing was held online, through the Webex platform. In addition to the Sole Arbitrator, Ms Amelia Moore, Counsel to the CAS, attended the hearing, together with the legal counsels for the parties and Ms Kari Cohen, Chief Administrative Officer and General Counsel of the Respondent.

37. At the outset of the hearing, the Parties confirmed that they had no objection with regards to appointment of the Sole Arbitrator to adjudicate on this dispute or the manner in which the procedure had been handled until then. At the conclusion of the hearing, the Parties confirmed that their right to be heard had been fully respected throughout the proceedings.

IV. SUMMARY OF PARTIES' POSITIONS

38. The following section summarises the Parties' main arguments in support of their respective requests for relief. While the Sole Arbitrator has examined the full record submitted by the Parties to the dispute, he refers in what follows only to the arguments, which, in the Sole Arbitrator's view, were relevant in deciding the issues in the appeal.

A. The Appellant

39. The Appellant's main arguments can be summarised as follows:

- It is undisputed that the Player was registered for the first time as a professional with the Respondent on 1 January 2022, during the calendar year of his 22nd birthday, as confirmed by the player passport. This is confirmed in the Appealed Decision.

- NYRB and NYRB II are the same club. This is confirmed in the Player's newest player's passport issued by the USSF where his registration is indicated as being only with the club

New York Red Bulls.

- NYRB II is the Respondent's B Team. NYRB II is an affiliate team of the Respondent, a fully MLS operated club, leaving no room for doubt that both teams are part of same club.

- There are various other elements and factors that demonstrate an integration between NYRB and NYRB II as two teams within the same club.

- CAS held in the Award CAS 2014/A/3710 that every team is part of one club, and thus whether a specific player plays in a club's A team or in any other team of the club does not influence the total investment made by the club and does not alter the category in which the club is classified.

- The Respondent makes high financial investments in its youth development. It was wrongly categorised by the USSF as a CONCACAF category IV club while it should be placed as a CONCACAF category II club instead.

- In the event that NYRB and NYRB II would not be deemed as the same club, NYRB II should be deemed a category III club in light of the fact that it participated in the USL, which was the second tier of professional football in the US.

B. The Respondent

40. As previously described, the Respondent did not file an Answer in these proceedings. As will be further detailed below, this means that the Respondent was limited during the hearing to reiterating and expanding on arguments that had already been made in the context of the first instance proceedings before FIFA.

41. The Respondent's main arguments can be summarised as follows:

- No training compensation should be due to the Claimant, as NYRB II should be considered a CONCACAF category IV club.

- NYRB II must be considered, at the most, a CONCACAF category III club, as it played in the USL Championship, the second national division at the time in the US.

- NYRB and NYRB II are not part of the same club, as is evidenced by several factors. NYRB II is not the "B" team of NYRB.

- NYRB II enters into direct employment contracts with its players, while the players registered with the Respondent sign agreements with the MLS.

- Also, players cannot simply move from NYRB II to NYRB. For such a transfer to take place, an agreement between NYRB II and the MLS would be required.

- The standard for establishing that a training compensation amount should be adjusted based on its "clear disproportionality" is high and the Appellant did not provide any adequate

evidence in that respect, notably as far as the financial investment in training players is concerned.

- In the event that NYRB II would be re-categorised on the basis of its status as a USL Championship Club at the relevant time (playing in the second tier of USSF), it could not be re-categorised as higher than a category III club.

IV. PARTIES' REQUESTS FOR RELIEF

42. In its Appeal Brief, the Appellant made the following Requests for Relief:

"[…]

a) That the CAS accepts the present appeal;

b) That the present appeal be upheld and the Appealed Decision set aside;

ON THE MERITS

c) That the Sole Arbitrator renders an award establishing that the Respondent shall pay to the Appellant, as training compensation, the total amount of USD 100,191.79, plus 5% interest p.a. on that amount, as from 31 January 2022 until the date of effective payment;

SUBSIDIARILY

d) That the Sole Arbitrator renders an award establishing that the Respondent shall pay to the Appellant, as training compensation, the amount of USD 26,054.79 as training compensation, plus 5% interest p.a. on that amount, as from 31 January 2022 2020 [sic!] *until the date of effective payment;*

IN ANY CASE

e) That the Respondent is ordered to bear the entire costs and fees of the present arbitration;

f) That the Respondent is ordered to pay the Appellant a contribution towards its legal fees and other expenses incurred in connection with these arbitration proceedings in an amount deemed fair by the Sole Arbitrator".

43. As previously mentioned, the Respondent did not file an Answer and, therefore, did not file any Requests for Relief.

V. JURISDICTION OF THE CAS

44. The jurisdiction of the CAS, which is not disputed, derives from Article 57.1 of the FIFA Statutes which stipulates that *"Appeals against final decisions passed by FIFA's legal bodies and against decisions passed by confederations, member associations or leagues shall be*

lodged with CAS within 21 days of receipt of the decision in question" and Article R47 of the Code which provides that *"An appeal against the decision of a federation, association or sports-related body may be filed with CAS if the statutes or regulations of the said body so provide or if the parties have concluded a specific arbitration agreement and if the Appellant has exhausted the legal remedies available to it prior to the appeal, in accordance with the statutes or regulations of that body[…]".*

45. The jurisdiction of the CAS is further confirmed by the Order of Procedure which has been duly signed by the Parties.

46. It follows that CAS has jurisdiction to adjudicate on, and decide, the present dispute.

VI. ADMISSIBILITY OF THE APPEAL

47. Article R49 of the Code determines as follows:

"*In 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".*

48. In accordance with Article 58.1 of the FIFA Statutes,

"*Appeals against final decisions passed by FIFA's legal bodies […] shall be lodged with CAS within 21 days of notification of the decision in question".*

49. There is no dispute that the Statement of Appeal was filed within the statutorily permissible 21 days after notification of the Appealed Decision. The appeal complies with all other requirements of Article R48 of the Code. The appeal is, therefore, admissible.

VII. APPLICABLE LAW

50. Article R58 of the Code provides the following:

"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".

51. Article 56.2 of the FIFA Statutes reads as follows:

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

52. In light of the above, the Sole Arbitrator considers that the present dispute shall be resolved on the basis of the applicable FIFA regulations and, additionally, of Swiss Law.

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VII. PRELIMINARY PROCEDURAL MATTERS

53. Prior to analysing the merits of this dispute, there are two procedural matters that must be addressed.

i) Scope of Respondent's submissions

54. As previously mentioned, the Respondent did not file an Answer in these proceedings.

55. Pursuant to Article R55 of the Code, *"If the Respondent fails to submit its answer by the stated time limit, the Panel may nevertheless proceed with the arbitration and deliver an award".*

56. In accordance with the above, this arbitration proceeded and the Sole Arbitrator decided to hold a hearing. Having decided to hold a hearing, a question therefore arose as to what should be the boundaries of the Respondent's intervention at the hearing in light of the fact that it had failed to file an Answer in the proceedings.

57. In this regard, the Sole Arbitrator first recalled that Article R56 of the Code provides that *"Unless the parties agree otherwise or the President of the Panel orders otherwise on the basis of exceptional circumstances, the parties shall not be authorized to supplement or amend their requests or their argument, to produce new exhibits, or to specify further evidence on which they intend to rely after the submission of the appeal brief and of the answer".*

58. The Sole Arbitrator then noted that CAS jurisprudence has already addressed, in the past, the issue of the scope of a party's participation in a hearing in circumstances where it did not file an Answer. A CAS Panel was instructive when stating in relation to this issue as follows:

> *"In addition, Article R56 of the CAS Code does not preclude the respondent from pleading at the hearing within the scope of the submissions it made in the first instance proceedings. To hold otherwise would mean that, under Article R56 of the CAS Code, all parties to CAS appeals proceedings would always be restricted in their oral statements to repeating exactly what they have already written in their briefs prior to the hearing; this would essentially make all oral pleadings at hearings meaningless and unnecessary.*
>
> *Late filing of an answer does not come "without a price". The party is sanctioned by not being allowed to: (i) have its answer on file and, in turn, not being able to further elaborate on the arguments it presented in the first instance proceedings; (ii) raise those objections that are only permitted to be made within the first written defence (such as, for example, a jurisdictional objection); (iii) submit any evidence or ask for evidentiary measures. This includes not being allowed to submit fact or expert witness statements, to call witnesses to testify at the hearing, or to requests for the production of documents, etc.; and (iv) put forward any motions for relief, given that it is constant CAS practice that motions for relief may not be amended at the hearing".* (CAS 2019/A/6463)

59. Another CAS Panel followed the same line of reasoning, by stating that *"In principle and in practice, parties are permitted to expand on their written submissions at a hearing provided that they remain within the scope of their case, as established in prior submissions (including*

those presented during the first instance proceedings). Indeed, it is not unusual in CAS hearings that, before the parties' oral pleadings, the panel expressly advises the parties' attorneys not to merely repeat orally what they have already stated in their written briefs". (CAS 2020/A/6854)

60. The Sole Arbitrator concurs with the above-referenced line of reasoning. At the outset of the hearing, the Sole Arbitrator therefore informed the Parties that the Respondent would be expected, in its oral submissions, to stay strictly within the scope of the case it presented before FIFA and therefore within the boundaries of the arguments that it brought forward thereunder.

61. Moreover, the Sole Arbitrator indicated to the Parties that it would be impracticable to address the admissibility of each single argument or submission made by the Respondent during the hearing. Therefore, the Sole Arbitrator proposed to the Parties that, in closing submissions, the Appellant would indicate whether it objected to the admissibility of any oral submission made by the Respondent during the hearing, whilst at the same time being given the opportunity, without prejudice, to respond to any such submissions. The Parties expressed their agreement with the proposed approach.

ii) Admissibility of new evidence

62. On 3 February 2025 (i.e. one day prior to the hearing), the Respondent requested the admission to the file of four documents, on the basis that such documents related to arguments already presented before FIFA and were necessary to provide a full picture of the facts of the case. According to the Respondent, these circumstances constituted "exceptional circumstances" pursuant to Article R56 Code, therefore permitting that the documents were added to the case file.

63. The documents are the following:

- TransferMarkt profile for the Player. According to the Appellant, this document provides an indicative transfer market value of the Player at the point at which he became registered with NYRB II and constitutes publicly available information ("New Exhibit 1").

- The Appellant's Financial Obligation Agreement with Parents. According to the Appellant, the document sets out the terms and conditions upon which parents of the registered players are required to pay the Appellant for training and development provided to such players. The Respondent argued that his information is publicly available on the Appellant's own website ("New Exhibit 2").

- Letter from Major League Soccer LLC, confirming the dates on which the Player was registered with NYRB. The Respondent argued that this letter must be admitted by way of response to the new player passport that was introduced by the Appellant only during these appeal proceedings ("New Exhibit 3").

- Form I797A, confirming the grant to the Player of a USA work visa to enable his employment to be transferred from NYRB II to MLS ("New Exhibit 4" and, together with New Exhibit 1, New Exhibit 2 and New Exhibit 3, the "New Exhibits").

64. At the outset of the hearing, the Appellant indicated that it objected to the admissibility of the New Exhibits.

65. Having considered the Parties' respective positions regarding the admissibility of the New Exhibits, the Sole Arbitrator informed the Parties that it had decided to deny the admissibility of the New Exhibits 1 and 2 and admit the filing of New Exhibits 3 and 4, with reasons to follow in the Award.

66. The applicable rule in this regard is the already mentioned Article R56 Code, which provides that, except if there are exceptional circumstances, Parties are prevented from producing new exhibits or specifying further evidence after the filing of the Appeal Brief and the Answer.

67. Naturally, this provision must equally apply to the circumstance where a respondent has failed to submit its Answer. This, as previously mentioned with reference to CAS jurisprudence, is part of the "price to be paid" for having failed to file a written submission within the CAS proceedings.

68. In this regard, the Sole Arbitrator acknowledges that there is CAS jurisprudence which indicates that the late filing of submissions/documents may be possible if they are related to arguments already presented before the previous instance and are necessary to establish the facts of the case. (CAS 2007/A/1352, MKE Ankaragücü Spor Kulübü v. Ch. Coridon)

69. It is also worth noting that, pursuant to Article R44.3 para. 2 Code (*ex vi* Article R57 Code), the Sole Arbitrator may at any time accept the production of documents if it deems that this is important to supplement the case file.

70. With regards to New Exhibit 1, the document was available to be produced by the Respondent at the time it could have filed its Answer. The Sole Arbitrator further took the view that, even if the document could be somehow related to the argument adduced in front of FIFA regarding the disproportionality of the training compensation, the Respondent did not explain whether and how the specific issue/argument of the player's market value had already been raised in the first instance proceedings. The Respondent also did not properly substantiate why, particularly in light of the applicable rules, the Player's market value would be material for the adjudication of this dispute. The Sole Arbitrator therefore decided that this document was inadmissible.

71. With regards to New Exhibit 2, the document was available to be produced by the Respondent at the time when it could have filed its Answer. Further, the Sole Arbitrator, once again, took the view that, even if the document could be somehow related to the argument adduced in front of FIFA regarding the disproportionality of the training compensation, the Respondent did not explain whether and how the specific issue/argument of agreement allegedly concluded between the Appellant and parents of players had already been raised in the first instance proceedings. The Sole Arbitrator therefore decided that this document was inadmissible.

72. When it comes to New Exhibit 3, the Sole Arbitrator notes that this is a letter which was only issued by the MLS on 29 January 2025 (even though it could have presumably been requested

from the MLS at an earlier point in time). In any event, the letter simply provides more complete official information regarding the registration dates of the player in the US, which the Sole Arbitrator concluded was helpful in providing a more complete picture of the Player's career sporting registration. The Sole Arbitrator further considered that the acceptance of this document did not place the Appellant at any procedural disadvantage. The Sole Arbitrator therefore decided that this document was admissible.

73. Finally, with regards to New Exhibit 4, the document is presumed to have been available to be produced by the Respondent at the time it could have filed its Answer. Nonetheless, the Sole Arbitrator noted that the document simply confirms that the player was granted a work visa in connection with his transfer from NYRB II to MLS (to play for NYRB) and that this is directly related to the argument already raised by the Respondent before FIFA that a player cannot simply move from NYRB II to NYRB and must be separately employed for that purpose by the applicable organisations. The Sole Arbitrator further considered that the acceptance of this document did not place the Appellant at any procedural disadvantage. The Sole Arbitrator therefore decided that this document was admissible.

VIII. MERITS

74. According to Article R57 of the Code, the Sole Arbitrator has full power to review the facts and the law of the case and can decide the dispute *de novo*. The Sole Arbitrator may issue a new decision which replaces the decision challenged, may annul the decision, or refer the case back to the previous instance.

75. The main issues to be resolved by the Sole Arbitrator are the following:

i. Are NYRB and NYRB II the same "club"? Does NYRB have standing to be sued?
ii. If NYRB has standing to be sued, what is its proper categorization for training compensation purposes?
iii. Is the Appellant entitled to training compensation? If so, what is the correct calculation of the training compensation entitlement?

i. Are NYRB and NYRB II the same "club"? Does NYRB have standing to be sued?

76. The Appealed Decision rejected the claim filed by the Appellant essentially on the basis that the FIFA DRC did not consider that it had been properly established that NYRB and NYRB II should be deemed as part of the same "club" for the purposes of the FIFA RSTP. On that basis and considering that the Player's first registration as a professional player was with NYRB II, the FIFA DRC considered that NYRB did not have standing to be sued.

77. The Sole Arbitrator does consider that assessing whether NYRB and NYRB II are part of the same "club" for the purposes of the FIFA RSTP must be the starting point, as the Respondent's standing to be sued is dependent on a finding that NYRB and NYRB II are the same club for these purposes. Indeed, if the Sole Arbitrator were to conclude that they are separate clubs for the purposes of training compensation under the FIFA RSTP, this would be the end of the

matter, and the claim would have to be rejected for lack of standing to be sued of the Respondent.

78. In the Sole Arbitrator's view, this analysis must be broken down in two steps: first, the Sole Arbitrator will assess whether, under the applicable rules, it is possible that, in abstract, two separate legal entities can be deemed as one single "club" for the purposes of training compensation under the FIFA RSTP. Second, in the event that the conclusion is affirmative, the Sole Arbitrator will then assess whether, *in concretu*, it has been established that NYRB and NYRB II are indeed one single "club" for the above-referenced purposes.

a) Can two separate legal entities be deemed as one single "club" for the purposes of training compensation under the FIFA RSTP?

79. The Appellant does not appear to question that NYRB and NYRB II are, formally, two separate legal entities. What the Appellant argues is that, from a substance point of view, NYRB II is effectively the "B" team of NYRB (i.e. they are part of the same club) and that, therefore, for training compensation purposes, they are the same entity. This is the reason why the first step is to assess whether, under the applicable rules, two formally separate entities could be deemed as one single "club" for training compensation purposes.

80. Article 3.1 of Annex 4 FIFA RSTP provides that "*On registering as a professional for the first time, the club with which the player is registered is responsible for paying training compensation within 30 days of registration […]*" (emphasis added). However, the FIFA RSTP do not contain a definition of "club" that could be directly relevant for the purposes of training compensation (there are only definitions of "new club" and "former club", which are irrelevant for these purposes).

81. The FIFA Statutes, however, do contain a definition of "club", stating that it is *"a member of an association (that is a member association of FIFA) or a member of a league recognized by a member association that enters at least one team in a competition".*

82. Taking this definition of "club" as a starting point, it appears relatively clear that, for the purposes of categorisation for training compensation, it should be irrelevant in which specific team within a club a player is registered.

83. This was precisely the principle which was confirmed by the Panel in the proceedings CAS 2014/A/3710 Bologna FC 1909 S.p.A. v. FC Barcelona, where it was stated that *"[…] the specific team (within the structure of a club) in which a player performed is not relevant for the categorisation of the club in calculating the amount of training compensation to be paid in case of an international transfer, as in the present matter. The intention behind the categorisation of clubs in the FIFA Regulations is to classify clubs in four different categories, depending on the total investments made by the club in youth development in general. Whether a specific player plays in a club's A team or in any other team of the club does not influence the total investment made by the club and, as such, does not alter the category in which the club is classified".* (CAS 2014/A/3710 Bologna FC 1909 S.p.A. v. FC Barcelona, para. 108.)

84. However, the apparent difference in these proceedings is that NYRB and NYRB II are not simply two teams within the same club, as they are, at least from a formal point of view, effectively two separate legal entities.

85. The Sole Arbitrator is of the view that, ultimately, the resolution of this question requires interpreting the mechanism of training compensation in general and Article 3.1 of Annex 4 FIFA RSTP in particular (specifically the meaning of the reference to "club" therein).

86. As the literal interpretation of the provision, and specifically of the concept of "club", does not bring absolute clarity as to its intended meaning, the Sole Arbitrator considers necessary to resort to the principles of statutory interpretation as adopted in CAS jurisprudence, as follows:

"According to the SFT, the starting point for interpreting is indeed its wording (literal interpretation). There is no reason to depart from the plain text, unless there are objective reasons to think that it does not reflect the core meaning of the provision under review. This may result from the drafting history of the provision, from its purpose, or from the systematic interpretation of the law. Where the text is not entirely clear and there are several possible interpretations, the true scope of the provision will need to be narrowed by taking into account all the pertinent factors, such as its relationship with other legal provisions and its context (systematic interpretation), the goal pursued, especially the protected interest (teleological interpretation), as well as the intent of the legislator as it is reflected, among others, from the drafting history of the piece of legislation in question (historical interpretation) (SFT 132 III 226 at 3.3.5 and references; SFT 131 II 361 at 4.2). When called upon to interpret a law, the SFT adopts a pragmatic approach and follows a plurality of methods, without assigning any priority to the various means of interpretation (SFT 133 III 257 at 2.4; SFT 132 III 226 at 3.3.5)". (See, for example, CAS 2021/A/8076 Sport Lisboa e Benfica SAD v. FIFA & CAS 2013/A/3365 & 3366 Juventus FC & A.S. Livorno Calcio v. Chelsea FC.)

87. The Sole Arbitrator is of the view that the teleological interpretation is of particular relevance in this matter, as it seeks to establish the intended goal of the provision and the interests it seeks to protect.

88. In this regard, FIFA established the training compensation framework to reward clubs that invest in developing young players, by imposing an obligation on acquiring clubs to compensate the training clubs whenever a player that they trained becomes a professional.

89. The FIFA RSTP establishes that the basis for calculating the training compensation is the training costs that would have been incurred by the new club had it trained the player itself. As stated in the FIFA Commentary to the FIFA RSTP, *"the aim of this provision is to ensure that clubs are not incentivised simply to recruit young players, rather than training and educating these players themselves. This ensures that clubs with more financial clout will also continue to invest in training and developing young players".* (FIFA Commentary on the FIFA RSTP, page 381.)

90. Pursuant to Article 4.1 of Annexe 4 FIFA RSTP, to calculate the compensation due, member associations are instructed to divide their affiliated clubs into a maximum of four categories

depending on the financial investment they make in training players. It is on the basis of these categories that the precise amounts of training compensation due are calculated.

91. It is the Sole Arbitrator's view that the intended goal of these provisions and of the training compensation mechanism as an overall framework would be incompatible with an interpretation of the concept of "club" as necessarily having to be one single legal entity only.

92. If this were the case, then the objectives of the training compensation system and its functioning could be undermined, as clubs could decide to operate one or more of their teams as separate legal entities (whilst still maintaining sporting, operational and administrative control over their activities), thereby "picking and choosing" where to register the incoming young players depending on the training compensation strategy that would suit them best, potentially to the detriment of training clubs.

93. Evidently, FIFA and CAS jurisprudence on training compensation cases demonstrates that it has been possible in the past to impose the training compensation liability on the following club that registered the player after he was first registered as a professional, on the basis of a finding of a circumvention of the applicable rules (based concepts such as that of "bridge club" (which was subsequently enshrined in Article 5bis FIFA RSTP) or the ultimate/real beneficiary club of the training that was provided by the training club). However, in addition to this approach having limitations and carrying evidentiary difficulties from the perspective of training clubs, it is entirely possible that there is no attempt to circumvent the training compensation rules when registering a player in a lower tier team of an organisation (constituted as a separate legal entity), but that it would still be unfair towards training clubs and damaging to the objectives of the training compensation system that no training compensation (or lower training compensation) would be payable in circumstances where the "parent club" would ultimately have access to, and control of, the services of the young player that is being registered.

94. It is the Sole Arbitrator's view that the proper functioning of the training compensation system in light of its features and intended objectives therefore requires an interpretation of the concept of "club" which is not necessarily and automatically restricted only to the concrete legal entity with which the player was registered.

95. If, in the specific circumstances of a given case, there is substantial evidence that, notwithstanding any formal separation in corporate structure, two separate legal entities are integrated from a sporting, organisational and operational perspective, it may be possible to consider them as one single "club" for the purposes of the training compensation system and in light of its objectives.

96. This conclusion is, in fact, consistent with the findings of the decision of the FIFA DRC in the dispute between Vaughan SC and Real Monarchs SLC (case ref. TMS 9733), where the Single Judge considered that, notwithstanding the fact that Real Monarchs and Real Salt Lake were two separate entities, the evidence indicated that Real Monarchs was effectively the "B" team of Real Salt Lake and, therefore, that the two entities should be considered as the same "club" for training compensation purposes.

97. In light of the above, the Sole Arbitrator therefore concludes that, in abstract, the correct interpretation of the concept of "club" permits that two separate legal entities be potentially deemed as one single "club" for the purposes of training compensation under the FIFA RSTP.

b) Should NYRB and NYRB II be considered as one single "club" for the purposes of training compensation under the FIFA RSTP?

98. The Sole Arbitrator refers to the general legal principle of burden of proof, according to which any party claiming a right on the basis of an alleged fact must carry the burden of proof. This is in line with Article 8 of the Swiss Civil Code, which provides that:

"Unless the law provides otherwise, the burden of proving the existence of an alleged fact shall rest on the person who derives rights from that fact".

99. In this regard, CAS jurisprudence states as follows:

"in CAS arbitration, any party wishing to prevail on a disputed issue must discharge its burden of proof, i.e. it must meet the onus to substantiate its allegations and to affirmatively prove the facts on which it relies with respect to that issue. In other words, the party which asserts facts to support its rights has the burden of establishing them …. The Code sets forth an adversarial system of arbitral justice, rather than an inquisitorial one. Hence, if a party wishes to establish some facts and persuade the deciding body, it must actively substantiate its allegations with convincing evidence". (CAS 2003/A/506, para. 54; CAS 2009/A/1810 & 1811, para. 46 and CAS 2009/A/1975, para. 71ff.)

100. As previously mentioned, it is not a point of contention that NYRB and NYRB II are, from a formal standpoint, two separate legal entities. The Appellant's case in this regard essentially rests on the contention that NYRB and NYRB II are so integrated as part of the same organisation that they should, from a substance point of view, be treated as one single club for training compensation purposes. The Respondent, on its part, essentially argues that, even though there is an association between NYRB and NYRB II, they remain two separate clubs.

101. It is therefore incumbent on the Appellant to discharge the burden of establishing the specific circumstances, which, in its view, demonstrate a substantive integration of NYRB and NYRB II that would justify treating them as one single club for training compensation purposes.

102. We shall now assess the various elements which were referred to by the Parties in these proceedings with a view to assessing the degree of integration of NYRB and NYRB II. The Sole Arbitrator wishes to note, from the outset, that an analysis of this nature, particularly in the absence of a specific regulatory provision that could establish a *numerus clausus*, inevitably entails assessing a non-exhaustive set of factors and circumstances.

Different employers / contractual parties

103. The Respondent argues that the circumstance that the Player signed his employment contract directly with NYRB II, whereas players in the MLS are employed by the league itself (and therefore that players playing for NYRB or NYRB II had different "employers" and were

subject to different standard contracts), constitutes evidence that NYRB and NYRB II could not be considered as the same club.

104. The Respondent further argues that evidence that they are two separate clubs is the fact that the Player had to be formally loaned from NYRB II in order to be able to play for NYRB and that NYRB II players require different visas to work for MLS.

105. The Sole Arbitrator accepts that, in general, the fact that players playing for two different teams are employed by separate entities might be a factor that may provide weigh in favour of a finding that those entities are not the same "club". However, the Sole Arbitrator is not convinced that that is the case here.

106. First, the entire premise of the analysis that is being carried out in this section is that it may be possible that two separate legal entities could be deemed a single "club" for the purposes of training compensation. If the premise is based on the existence of two separate legal entities, then, except if the case involves two teams within the same league and where contracts are held centrally, like in the MLS (which was not the case here, as NYRB II is not an MLS team), it logically follows that players playing for NYRB and NYRB II would evidently have to be employed by different entities. This factor therefore does not contribute significantly to the integration assessment that is being made.

107. Second, the peculiarities of the American professional league system cannot be ignored in this case. The MLS is a "single-entity" league which, unlike in more traditional professional sports leagues, was structured so that the league itself signs all player contracts, not the clubs. Individual clubs therefore do not legally employ players; they manage their rosters, but the league is the actual employer.

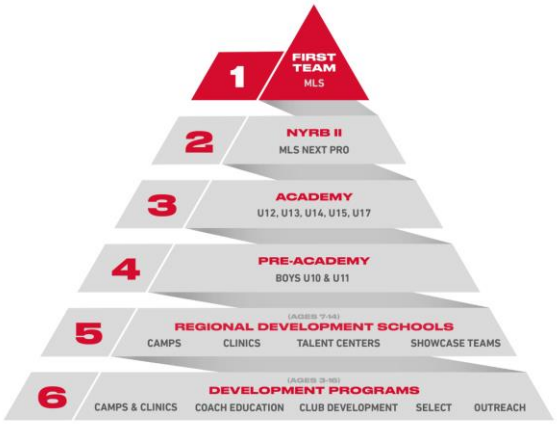
108. This means that any football club that wishes to enter various teams in US competitions (one of them being in the MLS) and wishes to operate as one single fully integrated entity will always necessarily have its players formally bound to different employers due to the manner in which the US system is structured. This, in turn, may also explain why players moving between two teams of the same club (one of them being in the MLS) will necessitate certain administrative arrangements formalizing that move, such as the loan by means of which the Player moved at the time from NYRB II to NYRB.

109. It is also worth noting that the Appellant provided evidence indicating that, although the Player was formally employed directly with NYRB II, he was drafted in the 2022 MLS SuperDraft (the college draft for teams of the MLS), which supports the argument that the Player was, from a substance point of view, brought into the wider New York Red Bulls organisation even if he was then formally employed by NYRB II.

110. Third, even in leagues where clubs are the direct employers of players, it may be possible or necessary for a club to decide to set up one or more of its teams (B team/reserve team, youth team) as a separate corporate structure, for tax, administrative or regulatory reasons. This does not mean that, for training compensation purposes, those teams would necessarily become independent clubs in and of themselves, particularly if they would continue to be fully integrated within the organization.

Integrated Player Development Pathway

111. On its official website, the New York Red Bulls organisation displays its "Player Development Pyramid". That pyramid is composed as follows:



112. In addition to this illustration again describing NYRB as the "first team", the diagram appears to present a vertically integrated player pathway under one unified club identity.

113. According to this structure, young players are trained and developed within a feeding system, with a view to ultimately reaching the first team.

114. This reinforces the notion that it is intended that NYRB II plays a role of a reserve/development team to serve the first team squad.

115. The Sole Arbitrator noted the Respondent's argument that the Appellant had not provided evidence that there was a "sharing of players" between NYRB and NYRB II. The Sole Arbitrator is of the view, however, that even if there was not an implemented system permitting the use of players within the same season interchangeably between the two teams, this does not mean that there is not an implemented player development pathway in the organisation and that, in fact, the use of players by the two teams within the same season may also have certain restrictions imposed by league rules.

116. In any event, the circumstance that the Player, during the league season of NYRB II in 2022, was brought into NYRB to play a few matches on "loan" (as permitted by the MLS rules as applicable to short-term loans from "affiliates") is, in the Sole Arbitrator's view, a practical illustration of this feeding developmental system implemented by the organisation.

Infrastructure, training facilities and resources

117. The Appellant argued that NYRB and NYRB II share the same training center and that both teams would also be sharing the new training center which is under construction. In support of its contention, the Appellant provided a media release published on the official web page

of the club where it is stated that *"Along with the First Team and Red Bulls II, the Complex will also be home to the New York Red Bulls Academy and Youth Training programs, North America's leading youth soccer development system"*.

118. The Respondent did not entirely object to the notion that both teams shared the training facilities, but argued that the situation was more nuanced. The Respondent confirmed that both teams used the same overall facility, but that they occupied different sections. The Respondent added that they used different locker rooms and trained at different schedules, but that they used, for example, the same gym. In addition, the Respondent also noted that the two entities used different HR and payroll resources and services, had different resources for sports analytics and used different medical teams (although recognizing that there was some cooperation between the medical practitioners).

119. With regards to the infrastructure and the training facilities, given that these are two different teams, with different requirements and constituted by players at different levels of development and professionalisation, it is the Sole Arbitrator's view that it is to be expected that there is a degree of separation in terms of their operations and training activities. It is normal that they generally train separately, on different pitches and on different schedules etc. It is not uncommon that reserve teams and the first teams play in different stadia. None of these elements are any different from any other club which has multiple teams within its structures.

120. The Sole Arbitrator ultimately does not consider that these nuances affect the conclusion that the two teams do ultimately share, and benefit from, the same training facilities.

121. When it comes to the apparent separation of resources (notably, human resources) and services as alleged by the Respondent, evidently this could provide, in principle, some weight to the proposition that the integration between these two entities is not as wide and/or deep as claimed by the Appellant. Indeed, when there is operational integration between entities, efficiency objectives could dictate that a centralised model of support services/departments would be adopted.

122. However, one must bear in mind two important factors in this analysis. First, it must be noted that, regardless of the conclusion as to whether or not these entities form part of the same club, they are at least two different teams. It would therefore not be uncommon that they have certain dedicated departments/staff of their own, particularly coaching staff, medical staff and sports analytics. Second, the Sole Arbitrator recalls that, as already previously assessed and described, NYRB and NYRB II are two separate legal entities and the players that are registered to play for them are also employed by separate entities, notably as a result of the specificities of the US sports model. It is therefore to be expected that there might be some administrative separation when it comes to HR, pay-roll services and matters of similar nature.

Common Branding and Visual Identity

123. The Appellant argued that NYRB and NYRB II share the same logo, with the minor difference of the addition of "II" and that both teams wear almost identical jerseys and use the same colours of identification. The Respondent, on its part, argues that the logos are different and

that, in any event, similar logos and shirt cannot be a sufficient basis to find that they are part of the same club.

124. The Sole Arbitrator recalls that the analysis being carried out here is one of assessing a non-exhaustive set of circumstances to measure a degree of integration between teams. And in this regard, visual identity may indeed be a relevant factor.

125. In this respect, the Sole Arbitrator notes that NYRB and NYRB II do appear to share a very similar branding and visual identity. In fact, this already starts with the designation of the teams which is only differentiated by the insertion of the number "II". In fact, in the Sole Arbitrator's view, the insertion of number "II" is an additional element which seems to reinforce the notion that NYRB is effectively the "first team" and NYRB II is essentially a "B team" or reserve team. This, in turn, strengthens the concept of various teams inserted in a pyramid within a unified club identity.

The external representation/communications of NYRB

126. Evidence was provided of NYRB II being represented by the New York Red Bulls organisation in their official channels as an "affiliate" of NYRB and of NYRB being represented as the "first team".

127. Evidence was also provided of the New York Red Bulls organisation communicating on its official channels that the Player had been drafted by the "Red Bulls" when coming into the organisation, without any distinction having been made between NYRB and NYRB II.

128. Moreover, it appears that in NYRB's digital ecosystem NYRB II is effectively treated as a team within the organisation. Indeed, on NYRB's official website there is a "tab" for NYRB II activities, rather than the latter having a fully independent website for the team.

Football administrative/regulatory elements

129. According to the Appellant, the fact that the player's passport issued by the USSF on 24 July 2024 makes reference to the Player having been registered at all times with NYRB (i.e. without any distinction being made between NYRB and NYRB II) is evidence that we are indeed dealing with one single club.

130. The Respondent noted that the above-referenced passport is unsigned and that, in any case, it is different from the player passport which the Appellant submitted when filing the claim before the FIFA DRC.

131. It was not entirely clear to the Sole Arbitrator why different player passports had been issued with regards to the Player. The Sole Arbitrator also notes that the player passport which was relied upon in the Appealed Decision indeed made reference to both NYRB and NYRB II.

132. On the other hand, although the Respondent did note that the more recent player passport was unsigned, the Sole Arbitrator did not have at its disposal any evidence which could indicate that said player passport is not an authentic document.

133. It is the Sole Arbitrator's view that, even though the content of this player passport is not decisive evidence, in and of itself, that the USSF (as the governing body of football in the US) formally treats NYRB and NYRB II as one single club, it does suggest, at least, that the USSF may perceive these as effectively two teams with the New York Red Bulls organisation.

134. The Appellant also drew attention to the fact that one single FIFA TMS account was being used to administer the transfer and registration information of players registered with NYRB and NYRB II. The Respondent retorted that, at the time that training was provided, NYRB and NYRB II had separate FIFA TMS accounts.

135. The Sole Arbitrator was not presented with any cogent reasons as to why NYRB and NYRB II initially had separate FIFA TMS accounts that appear to have later been merged. In any event, as was the case with the player passport, the Sole Arbitrator views this circumstance as a further indication of administrative integration between the two teams.

Jurisdiction and domestic football governance

136. It is relevant to note that, even though NYRB and NYRB II are, to a certain extent, subject to a different regulatory/contractual framework by virtue of participating in different domestic leagues (which is the case with the teams of any other club that may be competing in a country with separate league systems) and also by virtue of the single entity model of the MLS, it is also the case that both entities operate, to a significant extent, in the same jurisdiction and within a shared domestic governance/regulatory model under the USSF.

137. Indeed, the USSF enforces a global framework across all US soccer levels, including player registration, eligibility, and disciplinary procedures and that this regulatory umbrella also support the national player development pathways, including that which has apparently been implemented within the New York Red Bulls organization.

Conclusion

138. The Sole Arbitrator first again wishes to note that assessing the level of integration of two separate entities is not a straightforward matter and is a fact-sensitive, functional inquiry, very much dependent on the evidence provided.

139. Having carefully considered the submissions made and the evidence made available (whilst recalling that the Respondent did not file an Answer in these proceedings), the Sole Arbitrator concludes that the apparent depth and breadth of the sporting, organizational, and operational integration of NYRB and NYRB II within the same football organisation and in the same jurisdiction, indicates that, for training compensation purposes, NYRB II should not be considered as an independent "club", but rather as an extension of NYRB's player development program.

140. In the Sole Arbitrator's opinion, this therefore justifies, notwithstanding the formal separation in corporate structure, their classification as one single "club" specifically for training compensation purposes under the FIFA RSTP.

141. The Sole Arbitrator therefore concludes that the Respondent does have standing to be sued in these proceedings.

ii. If NYRB has standing to be sued, what is its proper categorization for training compensation purposes?

142. The Appellant argues that the Respondent is mistakenly classified as category IV club in CONCACAF (which, as per Article 2 para. 2 b) of Annexe 4 FIFA RSTP would mean that no training compensation would be due), considering that (i) the US is a country with three categories available; (ii) category II reserved for all first division clubs and category III is reserved for all second division clubs; and (iii) the Respondent is an MLS club and, therefore, a first division club, which means that it should be categorised as category II.

143. On the basis of Article 5 para. 4 of Annexe 4 FIFA RSTP, which provides that the "*Dispute Resolution Chamber may review disputes concerning the amount of training compensation payable and* ***shall have discretion to adjust this amount if it is clearly disproportionate to the case under review****"* [emphasis added], the Appellant requests that the Respondent effectively be re-categorised as a category II club in CONCACAF.

144. The Respondent, on its part, argues that, even if NYRB and NYRB II were considered the same club, the Appellant did not submit appropriate evidence regarding a potential miscategorisation. The Respondent emphasised that the possibility to adjust the training compensation amount in case of disproportionality is the exception and not the general rule, which therefore requires particularly strong evidence. The Respondent also noted that, again even if NYRB and NYRB II would be deemed to be the same club, there are still differences between the two and therefore the investments made in youth development are not the same.

145. FIFA, as the governing body for international football, is responsible for the administration of the training compensation system, including the establishment of the training categories for clubs. FIFA's responsibility encompasses the determination of the relevant criteria for each category and the overarching principles that govern the allocation of training compensation. Doing so is an exercise of regulatory authority, but it is also a process which is informed by policy considerations and objectives.

146. Indeed, the system of categorisation is based on a set of guidelines periodically issued by FIFA according to which each Member Association should then proceed with the relevant allocation within the available categories in each jurisdiction (See, for example, FIFA circulars 1249, 1763 and 1805). In this regard, it is relevant to note that FIFA itself acknowledges that *"There is some degree of flexibility in these guidelines. For example, a club in a lower division may be placed in a category with clubs of a higher division if it makes a similar investment to those clubs in training young players".* And it is also worth noting that, when addressing the existence of a discrepancy between the categorisation guidelines and the specific assignment of a category, *"the DRC normally applies the training category in accordance with the guidelines*" (FIFA Circular 1249; emphasis added), which suggests that re-categorisation may not always follow a strict approach.

147. In this specific case, the FIFA DRC did not address in the Appealed Decision the issue of a potential miscategorisation of the Respondent, as the claim was rejected for lack of standing to be sued. Even though there is some jurisprudence of FIFA specifically with regards to the categorisation of clubs competing in the US system, it is the Sole Arbitrator's view that, as the authority with the responsibility of implementing and administering the training compensation system and in light of the margin of appreciation that appears to exist in any such re-categorisation, it is appropriate that FIFA makes a first instance determination of the proper categorisation of the Respondent (and consequently of the (dis)proportionality of the applicable training compensation amounts), in order to ensure that the categorisation remains consistent with the applicable regulations and existing policies and the system operates fairly and uniformly.

iii. Is the Appellant entitled to training compensation? If so, what is the correct calculation of the training compensation entitlement?

148. In light of the Sole Arbitrator's decision to refer the case back to FIFA and considering that, in any event, the calculation of training compensation depends on the categorisation of the new club, the answer to this question shall not be resolved in these CAS proceedings.

IX. CONCLUSION

149. In conclusion, pursuant to the analysis above, the Sole Arbitrator finds that the Respondent has standing to be sued in this matter.

150. Pursuant to Article R57 of the Code, the Sole Arbitrator therefore annuls the Appealed Decision and refers the case back to FIFA to assess the Appellant's claim on the basis that NYRB and NYRB II are the same "club" for training compensation purposes and that, consequently, the Respondent has standing to be sued.

X. COSTS

(…)

TRIBUNAL ARBITRAL DU SPORT
COURT OF ARBITRATION FOR SPORT
TRIBUNAL ARBITRAL DEL DEPORTE

ON THESE GROUNDS

The Court of Arbitration for Sport rules that:

1. The appeal filed on 7 August 2024 by FC Durham Academy against the decision of the FIFA Dispute Resolution Chamber of 25 January 2024 is partially upheld.

2. The decision issued by the FIFA Dispute Resolution Chamber on 25 January 2024 is annulled.

3. The case is remitted back to the FIFA DRC to adjudicate on the claim filed by FC Durham Academy on the basis that New York Red Bulls and the New York Red Bulls II are the same "club" for training compensation purposes under the FIFA Regulations on the Status and Transfer of Players and that, consequently, the New York Red Bulls has standing to be sued.

4. (…).

5. (…).

6. All other requests for relief are dismissed.

Seat of arbitration: Lausanne, Switzerland
Date: 4 June 2025

THE COURT OF ARBITRATION FOR SPORT

José Luis **Andrade**
Sole Arbitrator