



TAS / CAS

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

CAS 2025/A/11693 Santos FC v. AS Monaco

ARBITRAL AWARD

delivered by the

COURT OF ARBITRATION FOR SPORT

sitting in the following composition:

Sole Arbitrator: Prof. Dr. Eligiusz Krześniak, Attorney-at-Law and Professor of Law in
Warsaw, Poland

in the arbitration between

Santos Futebol Clube, Santos, Brazil

Represented by Mr. Cristiano Caús, Mr. Raphael Paço Barbieri, Mr. Alécio Ciaralo Filho, Mr. Marco Antonio Cordeiro Loureiro, Mr. Rodrigo Januário Calabria, Ms. Helena Resstel Meirelles e Silva, Mr. Leonardo Franco Belotti, Ms. Beatriz Araujo Salazar, lawyers from CCLA Advogados in São Paulo, Brazil

-Appellant-

v.

Association Sportive de Monaco Football Club, Monaco

Represented by Mr Daniel Bique and Mr Sandro Borrelli

-Respondent-

I. PARTIES

1. Santos Futebol Clube (“Santos” or the “Appellant”) is a Brazilian football club registered with the Brazilian Football Federation.
2. Association Sportive de Monaco Football Club (“A.S. Monaco” or the “Respondent”) is a Monégasque football club registered with the French Football Association; The Appellant and the Respondent are hereinafter jointly referred to as the “Parties”.

II. FACTUAL BACKGROUND

A. Introduction

3. The present dispute revolves around the decision rendered by the Single Judge of the FIFA Players’ Status Chamber (the “Chamber” or “PSC”) on 20 May 2025 in FPSD-18595 regarding the contractual dispute related to the transfer of player Jean Lucas De Souza Oliveira from A.S. Monaco to Santos (the “Decision”).
4. The Chamber found that Santos must pay A.S. Monaco EUR 2,000,000 as outstanding amount and EUR 32,876.71 as interest.
5. The pertinent facts and allegations based on the Parties’ written submissions and on the CAS files are summarized below. References to additional facts and allegations found in the Parties’ written and oral submissions or evidence will be made, where relevant, in connection with the legal analysis that follows. While the Sole Arbitrator has considered all the facts, allegations, legal arguments, and evidence submitted by the Parties in the present proceedings, it refers in its award only to those submissions and evidence it deems necessary to explain its reasoning.

B. Background facts

6. On 13 July 2023, the Parties entered into an agreement (the “**Transfer Agreement**”) on the definitive transfer of professional football player Jean Lucas De Souza Oliveira from A.S. Monaco to Santos. The pertinent provisions of the Transfer Agreement have been quoted below.
7. According to Article 2:

“On the bases of the terms and the conditions of this Transfer Agreement and pursuant to the F.I.F.A. Regulations on the Status and Transfer of Players and/or any successor thereto (hereinafter named the “F.I.F.A. Regulations”), AS Monaco and the Player agree on the release and the definitive transfer of the Player to SANTOS, and SANTOS agrees, subject to the terms and conditions hereof, to engage the services of the Player, effective from 13th July 2023.

2.1. The effectiveness and the validity of this Transfer Agreement are conditional upon the fulfilment of all the Conditions. The Conditions are that:

(i) AS Monaco and the Player sign the termination of the Player's employment contract, effective from 13th July 2023

(ii) The Player undergoing and passing a medical examination satisfactory to SANTOS; and

(iii) SANTOS and the Player enter into and execute a new employment contract, effective from 13th July 2023.

(iv) AS Monaco, SANTOS, and the Player undertake all actions that are necessary through the Transfer Matching System (TMS) to enable the "Confederacao Brasileira de Futebol" (CBF) to request the Player's International Transfer Certificate ("ITC") at the latest on July 28th, 2023.

If, for any reason, the Player's ITC is not requested by CBF until July 28th, 2023, this agreement shall be considered null and void, and the Player shall immediately return to AS Monaco. In this case, no transfer fee or any other compensation or penalty shall be paid by SANTOS to AS Monaco, without the Parties having any claims against each other.

It is agreed between the Parties that the deadline request of the ITC abovementioned is stipulated in the sole interest of AS Monaco which may refuse to invoke it.

2.2. The Parties will make all reasonable efforts to satisfy the Conditions set forth in clause 2.1. (i) and (ii) as soon as practicable.

8. Article 3 of the Transfer Agreement establishes that:

"For this definitive transfer of the Player, SANTOS shall pay to AS Monaco, a net fixed transfer fee (the 'Transfer Fee') of 6.000.000 € (six million euros), net of any tax and/or levies, payable as follows:

-2.000.000 € (two million euros), on 31st August 2023;

-2.000.000 € (two million euros), on 30th June 2024;

-2.000.000 € (two million euros), on 31st January 2025.

AS Monaco is responsible to comply with any tax and fiscal obligations that might arise from this transfer in Monaco, and AS Monaco will be responsible for any levy due to any local authority, including fiscal authorities in Monaco.

SANTOS is responsible to comply with any tax and fiscal obligations that might arise from this transfer in Brazil, and SANTOS will be responsible for any levy due to any local authority, including fiscal authorities in Brazil regarding the payments established under the present Agreement, if applicable."

9. Article 4 of the Transfer Agreement stipulates as follows:

“All the above mentioned fees payable by SANTOS to AS Monaco in this agreement does not include any payments due in relation with solidarity mechanism under FIFA Regulations.

By common consent, the Parties agree that SANTOS shall be solely responsible for the payment and distribution of any amounts deriving from any claims from third clubs and/or national associations related to the FIFA Solidarity Contribution and Training Compensation due under FIFA Regulations on the Status and Transfer of Players (hereinafter “FIFA Regulation”) in connection with the above-mentioned Transfer fee, on top of the Transfer Fee.

The Parties agree that AS Monaco shall not be entitled to, and accordingly shall not claim (and SANTOS shall not be required in any circumstances to pay) any amount to AS Monaco on account of Solidarity Mechanism and/or Training Compensation arising from this transfer. AS Monaco acknowledges and agrees that the provisions of this Clause constitute a proof of a valid waiver for the purposes of paragraph 9.7 of the FIFA Clearing House Regulations.

Any payment requests related to Solidarity Contribution and/or Training Compensation from a third club towards AS Monaco shall be immediately forwarded by AS Monaco to SANTOS.”

10. Article 5 of the Transfer Agreement provides that:

“The Parties agree that each time SANTOS doesn't pay in time any amount mentioned in the present transfer agreement, SANTOS will pay, without notice, an annual interest rate of 15% (fifteen percent) pro rata for each payment delayed.

It is agreed between the Parties that in case of any payment deadline which is not respected by SANTOS, all remaining amounts to be initially paid after the said missed deadline will become immediately due and payable, in the same way as the missed deadline.

The total amount of the remaining instalments must therefore be paid by SANTOS to AS Monaco within ten working days following the notification received by SANTOS. Then, same aforementioned annual interest rate of 15% (fifteen percent) pro rata for each payment delayed shall apply in case of late payment.

The agreement on the interest rate for late payment and the payment of all sums due in such a case will not prevent AS Monaco from claiming the payment of damages and interest which may arise as a result of these late payments and to take any appropriate legal action to compel SANTOS to immediately pay all sums due.

All sums payable under this transfer agreement are subject to receipt by SANTOS of valid invoices from AS Monaco and the above mentioned amounts will be paid by SANTOS on the due dates for payment by bank transfer, to the following AS Monaco's bank account: [...]"

11. Finally, Article 14 stipulates that:

“This transfer agreement is governed by the F.I.F.A. regulations.

Any dispute arising from the present Agreement shall be referred to the relevant competent FIFA judicial bodies, as the first instance body. The Court of Arbitration for Sport (CAS) in Lausanne shall retain as an appeal jurisdiction. The language of all disputes shall be English.”

12. On 21 July 2023, the Fédération Française de Football issued the Player’s International Transfer Certificate.

13. On 25 July 2023, A.S. Monaco sent Santos an invoice for the total of EUR 6,000,000, stipulating the following payment schedule:

“2000000,00 € -on the August 31, 2023

2000000,00 € -on the June 30, 2024

2000000,00 € -on the January 31, 2025”

14. Santos paid the first two instalments under the Transfer Agreement, i.e. a total of EUR 4,000,000.

15. On 3 February 2025, A.S. Monaco contacted Santos about the third instalment under the Transfer Agreement.

16. On 6 February 2025, A.S. Monaco reiterated that it had not yet received the third instalment under the Transfer Agreement, i.e. EUR 2,000,000, and requested information from Santos.

17. On 7 February 2025, Santos informed A.S. Monaco that due to internal restructuring, it would seek to renegotiate and reschedule the payment of the final instalment under the Transfer Agreement. Santos submitted the following payment proposal:

“EUR 1,000,000.00 to be paid no later than August 30, 2025;

EUR 1,000,000.00 to be paid no later than January 31, 2026;”

18. On 10 February 2025, A.S. Monaco replied that it had several outstanding financial obligations which it would be unable to meet without Santos’ payment and, therefore, it rejected the proposal. A.S. Monaco repeated its request for immediate payment of the third instalment under the Transfer Agreement, and agreed that should Santos pay within that week, A.S. Monaco would waive the annual 15% interest.

19. On 18 February 2025, A.S. Monaco issued a default notice in which it set Santos the 3 March 2025 deadline to pay, in full, the third installment and the due interest under the Transfer Agreement.

C. Proceedings before FIFA

20. On 14 March 2025, A.S. Monaco lodged an overdue payables claim against Santos with FIFA.

21. Santos replied and acknowledged that the claimed amount was indeed overdue, though it disputed that the contractually agreed interest applied.

22. On 20 May 2025, PSC issued the Decision. The operative part of the Decision states as follows:

“1. The claim of the Claimant, A.S. Monaco F.C., is accepted.

2. The Respondent, Santos - SP, must pay to the Claimant the following amounts:

- EUR 2,000,000 as outstanding amount; and

- EUR 32,876.71 as interest.

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

4. Pursuant to art. 24 of the Regulations on the Status and Transfer of Players, if full payment (including all applicable interest) is not made within 45 days of notification of this decision, the following consequences shall apply:

1. The Respondent shall be banned from registering any new players, either nationally or internationally, up until the due amount is paid. The maximum duration of the ban shall be of up to three entire and consecutive registration periods.

2. The present matter shall be submitted, upon request, to the FIFA Disciplinary Committee in the event that full payment (including all applicable interest) is still not made by the end of the three entire and consecutive registration periods.

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

6. The final costs of the proceedings in the amount of USD 25,000 are to be paid by the Respondent to FIFA. FIFA will reimburse to the Claimant the advance of costs paid at the start of the present proceedings (cf., note relating to the payment of the procedural costs below).”

23. On 30 July 2025, the Decision was notified to the Parties with the grounds. In substance, PSC considered, inter alia, the following:

“27. The Single Judge then moved to the substance of the matter and took note of the fact that this is a claim of the Claimant against the Respondent for overdue payables amounting to EUR 2,000,000, plus 15% p.a., arising from the Transfer Agreement.

28. In this context, the Single Judge acknowledged that her task was to determine, based on the evidence presented by the parties, whether the claimed amounts had in fact remained unpaid by the Respondent, and, if so, whether the latter had a valid justification for not having complied with its financial obligations.

29. The Single Judge remarked that, in the case at hand, the Respondent bore the burden of proving that it indeed complied with the financial terms of the Transfer Agreement concluded between the Parties.

30. Thereafter, the Single Judge turned her attention to the reply of the Respondent and noted that it did not dispute its debt of EUR 2,000,000 towards the Claimant, but that it disputed the application of the interest rate of 15% p.a. on the outstanding amount.

31. In this framework, the Single Judge acknowledged that her task was to determine whether the contractually agreed interest rate in the Transfer Agreement was applicable over the amount of EUR 2,000,000 owed by the Respondent to the Claimant.

32. In view of the above, the Single Judge recalled the following wording of art. 5 of the Transfer Agreement:

“The Parties agree that each time SANTOS doesn’t pay in time any amount mentioned in the present transfer agreement, SANTOS will pay, without notice, an annual interest rate of 15% (fifteen percent) pro rata for each payment delayed.”

33. The Single Judge then noted that both parties had conflicting approaches regarding the application of the contractually agreed interest rate in the Transfer Agreement.

34. In particular, the Single Judge noted that the Claimant claimed EUR 32,876.71 as interest, which it stated is equivalent to 15% p.a. accrued from 31 January 2025 until 12 March 2025 as agreed in art. 5 of the Transfer Agreement.

35. In opposition, the Single Judge noted that the Respondent considered that the contractually agreed interest rate of 15% p.a. is neither reasonable nor fair in light of art. 163 and 163.1 of the SCO and should be reduced to a rate between 5% and 8% p.a.

36. In this respect, the Single Judge first recalled that, while she shall take into account the national law, as well as all relevant arrangements and collective bargaining agreement, when resolving a dispute before the Football Tribunal, FIFA Regulations prevail over any national law that the parties may have chosen. In this

respect, the Single Judge emphasised that the main objective of FIFA Regulations is to create a standard set of rules to which all the actors within the football community are subject to and can rely on. Therefore, the Single Judge deemed that it was not appropriate to directly apply the principles of any given national law to the substance of this matter but rather the Regulations, general principles of law and, where existing, the Football Tribunal's well-established jurisprudence.

37. In view of the above and in accordance with the jurisprudence of the Football Tribunal, the Single Judge determined that a contractually agreed interest rate of 15% p.a. is deemed reasonable and proportionate and should therefore be applied on the outstanding amount.

38. Notwithstanding the above, as the Claimant calculated and claimed a fixed amount of interest on the outstanding amount, the Single Judge applied the legal principle of ne ultra petita and limited the interest awarded to the amount claimed.

39. As a consequence, taking into consideration the Claimant's request as well as the legal principle pacta sunt servanda, the Single Judge decided that the Respondent is liable to pay the Claimant EUR 2,000,000 as the outstanding instalment of the Transfer Agreement, plus EUR 32.876,71 as interest."

III. PROCEEDINGS BEFORE THE COURT OF ARBITRATION FOR SPORT

24. On 20 August 2025, the Appellant filed with CAS the Statement of Appeal against the Respondent with respect to the Decision pursuant to Article 50 par. 1 of the FIFA Statutes and to Article R47 and Article R48(1) of the Code of Sports-Related Arbitration (the "**CAS Code**"), and requested that the appeal be submitted to a sole arbitrator.
25. On 29 August 2025, the Appellant filed its Appeal Brief.
26. On 19 September 2025, the Respondent filed its Answer.
27. On 24 September 2025, the CAS Court Office asked the Parties to inform it by 1 October 2025 whether they preferred a hearing to be held and whether they requested a case management conference with the Sole Arbitrator to discuss any procedural issues. Whereas the Appellant requested a hearing, the Respondent informed the CAS Court Office that it did not consider a hearing necessary.
28. On 28 October 2025, the CAS Court Office informed the Parties that Prof. Dr. Eligiusz Krześniak, Attorney-at-Law in Warsaw, Poland had been appointed the Sole Arbitrator to decide the dispute.
29. On 5 November 2025, the CAS Court Officer informed the Parties that the Sole Arbitrator had decided to hold a hearing in the present case. After consulting the Parties, the hearing was set on 27 November 2025 by videoconference.

30. On 12 November 2025, the CAS Court Office provided the Parties with the Order of Procedure, which both Parties returned, duly signed, within the prescribed deadline.
31. On 27 November 2025, the scheduled hearing was held before the Sole Arbitrator by videoconference. The following participants attended the hearing:

For the Appellant:

Mr. Raphael Paçó Barbieri & Ms. Beatriz Araujo Salazar, representing the Appellant

For the Respondent:

Mr. Daniel Bique & Mr. Sandro Borrelli, representing the Respondent

32. The Parties had ample opportunity to present their case. At the conclusion of the hearing, the Parties expressly stated that they had no objections in respect of their right to be heard.

IV. SUBMISSIONS OF THE PARTIES

33. This section of the Award does not exhaustively list the Parties' contentions, its aim being to summarize the substance of the Parties' main arguments. In considering and deciding upon the Parties' claims in this Award, the Panel has accounted for and carefully considered all of the submissions made and evidence adduced by the Parties, including the allegations and arguments not mentioned in this section of the Award or in the discussion of the claims below.

A. The Appellant's Position

34. The Appellant submitted that it does not dispute the Respondent's entitlement to be paid the third instalment, but it does fundamentally argue for a disproportionate nature of the interest applied and the need for its reduction.
35. According to the Appellant, a 15% interest constitutes an unreasonable financial advantage for the Respondent, clearly defeating the purpose of safeguarding the value of money and exceeding what could be considered a reasonable compensatory measure.
36. The Appellant stated that such interest does not serve to compensate any losses arising from late payment, but rather to exert financial pressure on the other Party. Hence, it should be construed as an excessive penalty clause and, as such, it should be reduced.
37. The Appellant emphasized that a penalty is considered excessive when it is unreasonable and clearly surpasses the amount that would be fair and just. The law does not precisely define what constitutes an excessive penalty, leaving it to the arbitrator or the judge to determine - based on the specific merits of the case and all the relevant circumstances - whether the penalty is excessive and, if so, to what extent it should be adjusted.

38. Additionally, the Appellant stated that:

“In the present case, an interest rate of 15% per annum clearly exceeds the standard rates commonly accepted in international commercial contracts, which typically range between 5% and 8% per annum.

Moreover, it is well established under FIFA jurisprudence that the applicable interest rate in its decisions is 5% per annum that being the standard interest rate defined by the Swiss Code of Obligation”

39. Finally, the Appellant contended that the outstanding amount constitutes only 33% of the agreed fee, which demonstrates the limited severity of the Appellant’s breach.

40. In its Appeal Brief, the Appellant requested as follows:

“i. Declare that the Court of Arbitration for Sports (“CAS”) has jurisdiction to hear Santo’s claims against the Respondents.

ii. Set aside the Decision rendered by the FIFA Player’s Status Chamber on 20 May 2025, with reference number FPSD-18595, in its entirety; and

iii. Reduce the interest rate to 5% per annum, ensuring fair and equitable compensation for both parties.”

41. Additionally, in its Statement of Appeal, the Appellant submitted the following request:

“In any event, to order that the Respondents shall bear the arbitration costs pertaining to these CAS proceedings; and shall pay the Appellant a contribution to its legal costs incurred in an amount of CHF 5,000.”

B. The Respondent’s Position

42. The Respondent submitted that, in the present case, the Parties must comply with the Transfer Agreement in good faith, in accordance with the basic principle of public international law, i.e. *pacta sunt servanda*.

43. The Respondent noted that the Appellant attempts to classify the interest as a penalty clause. A penalty clause is a contractual provision that imposes unreasonably high liquidated damages as a form of punishment for a breach. In the present case, the interest payable by the Appellant depended solely on its contractual obligations.

44. The Respondent further explained that:

“In the matter at stake, the amount of interests due by SANTOS was depending on its sole respect of its contractual obligations and would have been even less than the amount of €32,876.71 (thirty-two thousand eight hundred and seventy-six euros and seventy-one cents), fixed on March 12, 2025 at the moment the claim before FIFA PSC was lodged by AS MONACO, if it has been paid the last instalment, or even zero

if SANTOS had responded favorably to the Respondent's email of February 10, 2025 (Annex 7)."

45. The Respondent underlined that given the final transfer instalment of EUR 2,000,000, which the Appellant owed the Respondent, the interest is negligible and cannot reasonably be regarded as a penalty clause.
46. The Respondent concluded that the Appellant has consistently demonstrated its unwillingness to pay the final transfer fee instalment owed to the Respondent, having delayed the payment for nearly eight months despite acknowledging the debt and paying the first two instalments. Moreover, the Appellant dismissed the outstanding EUR 2,000,000 as minimal, thereby understating the financial impact on the Respondent.
47. In the Answer to the Appeal Brief, the Respondent submitted the following requests for relief:

"A. SANTOS must pay AS MONACO:

- *€2,000,000 (two million euros), being the amount due for the last installment shown on invoice no. INV001310;*
- *the contractual annual interest of 15% (fifteen percent) for the period of default - from January 31 to March 12, 2025, i.e., a total amount of €32,876.71 (thirty-two thousand eight hundred and seventy-six euros and seventy-one cents) (Annex 13).*

B. SANTOS must bear any procedural costs, which the Court of Arbitration for Sports considers appropriate, which may be applied to this case, in particular those advanced by AS MONACO."

V. JURISDICTION OF CAS

48. Article R47 of the CAS Code provides as follows:

"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. An appeal may be filed with CAS against an award rendered by CAS acting as a first instance tribunal if such appeal has been expressly provided by the rules of the federation or sports-body concerned."

49. Article 50(1) of the FIFA Statutes (2024 edition) reads as follows:

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

50. In addition, the appealed Decision provides as follows:

“According to art. 50 par. 1 of the FIFA Statutes, this decision may be appealed against before the Court of Arbitration for Sport (CAS) within 21 days of receipt of the notification of this decision.”

51. Furthermore, Article 14 of the Transfer Agreement reads as follows:

“This transfer agreement is governed by the F.I.F.A. regulations.

Any dispute arising from the present Agreement shall be referred to the relevant competent FIFA judicial bodies, as the first instance body. The Court of Arbitration for Sport (CAS) in Lausanne shall retain as an appeal jurisdiction. The language of all disputes shall be English.

52. The Decision of 20 May 2025 was issued by a legal body of FIFA, i.e. the Players’ Status Chamber. Neither of the Parties objected to CAS’ jurisdiction.

53. As a result, CAS has jurisdiction to hear and adjudicate the present matter.

VI. ADMISSIBILITY OF THE APPEAL

54. Pursuant to Article R49 of the CAS Code:

“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. The Division President shall not initiate a procedure if the statement of appeal is, on its face, late and shall so notify the person who filed the document. When a procedure is initiated, a party may request the Division President or the President of the Panel, if a Panel has been already constituted, to terminate it if the statement of appeal is late. The Division President or the President of the Panel renders her/his decision after considering any submission made by the other parties.”

55. Article 50(1) of the FIFA Statutes (2024 edition) reads as follows:

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

56. The Decision was issued on 20 May 2025 and notified to the Appellant with the grounds on 30 July 2025. The Appellant filed its Statement of Appeal on 20 August 2025.

57. Therefore, the Appeal is admissible.

VII. APPLICABLE LAW

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

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

59. Article 49(2) of the FIFA Statutes (2024 edition) provides as follows:

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

60. The Transfer Agreement reads as follows:

“This transfer agreement is governed by the F.I.F.A. regulations.

Any dispute arising from the present Agreement shall be referred to the relevant competent FIFA judicial bodies, as the first instance body. The Court of Arbitration for Sport (CAS) in Lausanne shall retain as an appeal jurisdiction. The language of all disputes shall be English.”

61. Since FIFA is incorporated in Switzerland, the Panel deems the applicable regulations to be the FIFA Statutes, the various regulations of FIFA, and subsidiarily the Swiss law.

VIII. MERITS

62. The Sole Arbitrator notes that the Appellant does not dispute its debt of EUR 2,000,000 owed to the Respondent. It confirmed it both in its written submissions and during the hearing.

63. Therefore, this award need not address whether there existed any valid reason for the failure to pay the third instalment due under the Transfer Agreement, and the Sole Arbitrator may now proceed directly to analyzing the justification for and the amount of the interest in question, since the matter essentially concerns applying a specified interest on the outstanding amount.

64. The Parties disagreed on how the contractually stipulated interest should be applied and they presented different positions regarding its amount.

65. Per the Transfer Agreement alone, the interest should be 15% p.a., as Article 5 provides that:

“The Parties agree that each time SANTOS doesn’t pay in time any amount mentioned in the present transfer agreement, SANTOS will pay, without notice, an annual interest rate of 15% (fifteen percent) pro rata for each payment delayed.”

66. Under the Transfer Agreement, the Respondent claims its entitlement to a 15% p.a. interest on the outstanding amount and seeks payment of EUR 32,876.71, representing interest accrued at 15% p.a. from 31 January 2025 to 12 March 2025.
67. The Appellant, referring to Articles 73, 116 and 163 of the Swiss Code of Obligations, argues that the interest stipulated in the Transfer Agreement is excessive and unfair, effectively constituting a penalty rather than safeguarding the value of money. The Appellant further contended that judicial intervention may be warranted where a penalty clause is unjustifiably harsh or oppressive.
68. The Appellant also argues that the interest of 15% per annum clearly exceeds the standard rates commonly accepted in international commercial contracts, which typically range between 5% and 8% per annum. According to the Appellant, FIFA jurisprudence indicates that FIFA bodies typically apply 5% p.a. standard interest pursuant to the Swiss Code of Obligations. For this reason, the Appellant requests that the interest rate on the outstanding amount be set at 5% p.a.
69. To state the obvious - it was the Appellant’s task to prove in these proceedings that the applied interest is excessive and, as such, illegal. CAS jurisprudence, for example in CAS 2020/A/6796, is adamant that:

“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 fact and persuade the deciding body, it must actively substantiate its allegations with convincing evidence” (e.g. CAS 2003/A/506, para. 54; CAS 2009/A/1810 & 1811, para. 46 and CAS 2009/A/1975, para. 71ff)”

70. Proceeding to the merits of the case the Sole Arbitrator notes the following:
71. First, the FIFA Regulations take precedence in disputes brought before the Football Tribunal. Accordingly, the assessment should be based primarily on the FIFA Regulations, the general legal principles and on the established Football Tribunal jurisprudence. The Decision thus correctly clarified the order in which various legal rules might apply in this case, pointing to the FIFA Regulations as the primary source of legal norms similar cases.
72. The FIFA Regulations are, thus, the point of departure.

73. They do not determine any justified or permissible late payment interest levels. Therefore, one ought to conclude that any level which does not violate Swiss public order, should be allowed. That said, a 15% annual rate does not seem excessive under Swiss law as it will further explain below.
74. Second, seeing as the primarily applicable FIFA Regulations do not provide any conclusive answer, the additionally applicable Swiss law must be relied upon on, in accordance with Article 49(2) of the CAS Statutes. This establishes a clear hierarchical framework which has been understood to mean that the Swiss law, applied “additionally,” serves primarily to ensure that the FIFA Regulations rest on a normatively coherent legal foundation derived from the Swiss law, and that any matters not expressly addressed by the FIFA Regulations are to be resolved in accordance with the Swiss law (see e.g. CAS 2017/A/5003).
75. The next step is thus to examine the relevant provisions of the Swiss law.
76. The Appellant did point to various provisions of the Swiss law. The Appellant did not, however, indicate any specific rules that would make the 15% interest rate in relations between businesses illegal. The only provisions referred to by the Appellant relate to the general characteristics and role of interest, and to the adjustment of excessively high interest.
77. While most European laws do limit the maximum interests for delay that a creditor can demand from a debtor in case of a default, a 15% rate is in most cases allowed. Swiss law is no different.
78. The Sole Arbitrator notes that, notwithstanding the above, the agreed interest must not contravene the Swiss public policy, which CAS is required to take into consideration when rendering its award.
79. According to the view expressed by the Swiss Federal Tribunal (Decision 4A_490/2009), and reiterated by CAS (e.g., CAS 2010/A/2128):

“Public policy is violated if an arbitral award violates the fundamental legal principles and is therefore incompatible with Swiss law and value”
80. In light of the Swiss law and CAS jurisprudence, one must note that interest below 18% has been consistently considered to fall within an acceptable maximum range and, as such, is permissible (CAS 2010/A/2128 or CAS 2021/A/7727). Interest set below this threshold does not violate public policy or fundamental legal principles. Nor are there grounds for judicial adjustment of such interest, and, in accordance with *pacta sunt servanda*, the Sole Arbitrator finds no basis to reduce the agreed rate.
81. Third, the above conclusion is further supported by the fact that the Parties had negotiated that very level during the negotiation phase. The first draft included an 18% interest; the Appellant then requested a reduction to 10%, and the Parties ultimately agreed on a 15% interest. The Transfer Agreement was entered into by professional

entities with experience and knowledge of such transactions. To arbitrarily alter the interest and to rule contrary to the literal terms of the Transfer Agreement, the Sole Arbitrator would require clear and substantiated grounds to be presented by the Party requesting such a modification. No such grounds were presented. Likewise, an analysis of the circumstances of this case provides no basis for any interest adjustment.

82. Fourth, the Sole Arbitrator further notes the Appellant's disloyal conduct, which appeared aimed at delaying the payment of the agreed sum. The Appellant informed the Respondent about experiencing payment difficulties only several days after the contractual payment deadline and after the Respondent had twice inquired about the outstanding amount. Furthermore, a day before the payment deadline and, again, less than two weeks thereafter, the Appellant proceeded to sign two renowned players on a permanent basis, thereby actively investing in player acquisitions despite seemingly lacking the funds to fulfill its contractual obligations.
83. Summarizing, the Appellant has not submitted in these proceedings any evidence sufficiently demonstrating that the agreed interest is contrary to the FIFA Regulations or the Swiss law. Considering all the circumstances, the Sole Arbitrator finds that the interest stipulated in the Transfer Agreement is neither manifestly excessive nor contrary to the FIFA Regulations or the Swiss law, public policy, or the principles of justice and fairness.
84. Taking everything into account, and per *pacta sunt servanda*, the Sole Arbitrator finds that the Appellant is liable to pay the Claimant EUR 2,000,000 as the outstanding instalment under the Transfer Agreement, plus EUR 32,876.71 as interest.
85. Consequently, the appeal is groundless and must be rejected.

IX. COSTS

(...)

ON THESE GROUNDS

The Court of Arbitration for Sport rules that:

1. The appeal filed on 20 August 2025 by the Santos Futebol Clube against the decision rendered on 20 May 2025 by the Players' Status Chamber of FIFA is dismissed.
2. The decision rendered on 20 May 2025 by the Players' Status Chamber of FIFA is upheld.
3. (...).
4. (...).
5. All other and further motions or prayers for relief are dismissed.

Seat of arbitration: Lausanne, Switzerland

Date: 22 May 2026

COURT OF ARBITRATION FOR SPORT

Eligiusz Krzeńskiak
Sole Arbitrator