CAS 2025/A/11962 Zamalek SC v. AIK FF Sweden

ARBITRAL AWARD

delivered by the

COURT OF ARBITRATION FOR SPORT

sitting in the following composition:

Sole Arbitrator: Mr Francesco Macrì, Attorney-at-law in Piacenza, Italy

In the arbitration between

Zamalek Sporting Club, Giza**,** Egypt
Represented by Mr Mohammed Mitwally LL.M, Attorney-at-Law in Cairo, Egypt

- Appellant -

and

AIK FF Sweden, Solna, Sweden
Represented by Mr Jan Schweele, Mr Thomás Prestes Boas and Ms Michelle Acierno, Attorneys-at-Law at Berlin Sports Law, Lisbon, Portugal

- Respondent –

I. PARTIES

1. Zamalek Sporting Club (the "Appellant" or "Zamalek") is an Egyptian professional football club with its registered seat in Giza, Egypt. It is a member of the Egyptian Football Association ("EFA"), which in turn is affiliated with the Fédération Internationale de Football Association ("FIFA").

2. AIK FF Sweden (the "Respondent" or "AIK") is a Swedish professional football club with its registered seat in Solna, Sweden. It is a member of the Swedish Football Association ("SvFF"), which in turn is affiliated with the Fédération Internationale de Football Association ("FIFA").

3. The Appellant and the Respondent are hereinafter jointly referred to as the "Parties".

II. FACTUAL BACKGROUND

4. Below is a summary of the main relevant facts, as established on the basis of the written submissions of the Parties, the hearing, and the evidence examined in the course of the proceedings. This background information is given for the sole purpose of providing a summary of the dispute. Additional facts may be presented, where relevant, in conjunction with the legal analysis.

A. Background Facts

5. On 3 September 2024, AIK FF Sweden and Zamalek SC concluded an agreement (the "Transfer Agreement") for the permanent transfer of the professional football player Omar Faraj ("the Player") from the Respondent to the Appellant, with the effective date of the transfer established as 3 September 2024.

6. According to Article 3 of the Transfer Agreement, the Parties agreed that:

> *"3. COMPENSATION - Fixed Transfer Fee*
>
> *3.1. The Club shall pay a fixed transfer fee amounting to USD 1.100 000 to AIK for the Transfer.*
>
> *3.2. The Club shall pay the fixed transfer fee set forth in sub-clause 3.1 above in accordance with the payment details in AIK's invoices and in the following instalments:*
>
> *a. USD 550.000 shall be paid by no later than 20250630*
> *b. USD 550.000 shall be paid by no later than 20260630*
>
> *[...]*

> *3.4. Each of the single payments set forth in sub-clause 3.3 above shall be paid by the Club to AIK after the receipt of AIK's invoice and by no later than ten (10) days after the relevant condition set forth above has been fulfilled.*
>
> *3.5. If any of the above-mentioned compensations and bonuses have not been received by AIK within ten (10) days from the due date, all future instalments shall be immediately due".*

7. The Transfer Agreement was signed on behalf of AIK by Mr Thomas Berntsen (Sporting Director) and Mr Fredrik Söderberg (CEO), and on behalf of Zamalek by Mr Hussein Labib (President). The governing law and dispute resolution clause, set out at Clause 6 of the Transfer Agreement, provided that the Agreement is governed by the rules and regulations of FIFA and that any dispute arising out of or in connection with the Agreement shall be submitted to the competent decision-making body of FIFA, with the right of appeal to the Court of Arbitration for Sport ("CAS"). The Parties further agreed that the CAS panel shall consist of one arbitrator and that the language of the proceedings shall be English.

8. The Transfer Agreement further provided, at Clause 3.3, for additional transfer compensation in the form of a one-time bonus of USD 100,000 payable to AIK in the event that Zamalek wins the domestic league, league cup, or Super Cup during the Player's registration with the Appellant.

9. Clause 4 of the Transfer Agreement provided for sell-on compensation amounting to 15 percent of any net future transfer fee received by Zamalek in the event of a subsequent loan or permanent transfer of the Player to a third club.

10. In the period between 27 May 2025 and 2 July 2025, AIK sent multiple communications to Zamalek, including an invoice (Invoice No. 12826, dated 9 June 2025) for the first installment of USD 550,000, requesting confirmation of receipt and of Zamalek's intention to pay by 30 June 2025. The Appellant did not respond to any of these communications.

11. On or around 20 June 2025, the Appellant underwent a significant internal management restructuring, which resulted, inter alia, in the appointment of Mr John Edward as the new Sporting Director, changes in administrative personnel, and amendments to the Appellant's contact details and access credentials on the FIFA Transfer Matching System ("TMS"). According to the Appellant, communications sent to its previous e-mail accounts during this transitional period were not received by the new management because the relevant personnel lacked access to the former e-mail channels.

12. On 4 July 2025, the Respondent formally placed the Appellant in default by way of a written default notice sent via e-mail to two addresses that had been used by the Parties during the negotiation of the Transfer Agreement and were listed on the Appellant's

FIFA-TMS profile at the relevant time, namely football@zamaleksc.com and amradham@hotmail.com.

13. The Respondent granted the Appellant a ten-day period in which to remedy its default. The Appellant did not pay the first instalment within that period. The first instalment of USD 550,000 accordingly remained overdue and outstanding.

B. Proceedings before the FIFA Players' Status Chamber

14. On 22 July 2025, AIK filed a claim before the Players' Status Chamber of the FIFA Football Tribunal (the "FIFA PSC").

15. On 25 August 2025, Zamalek submitted its reply to the FIFA PSC.

16. In its claim, the Respondent asserted that it had duly issued the relevant invoice for the first installment of USD 550,000 and had subsequently placed the Appellant in default following the absence of payment. The Respondent argued that the Appellant's failure to pay within the ten-day cure period stipulated in the default notice triggered the Acceleration Clause contained in Clause 3.5 of the Transfer Agreement, with the consequence that the entire Fixed Transfer Fee of USD 1,100,000 became immediately due and payable.

17. In its reply before the FIFA PSC, the Appellant argued, in essence, that the Transfer Agreement had been drafted unilaterally by the Respondent and imposed obligations exclusively upon the Appellant without reciprocal protections. The Appellant invoked the *contra proferentem* principle and contended that the Acceleration Clause was punitive, disproportionate, and contrary to both FIFA jurisprudence and Swiss law.

18. The Appellant further submitted that its failure to pay the first installment on time was caused by the aforementioned management transition and the consequent breakdown in internal communications, and that the delay was therefore neither intentional nor in bad faith. The Appellant also contended that the Respondent had failed to comply with the prerequisites of Article 12bis of the FIFA Regulations on the Status and Transfer of Players (the "RSTP"), thereby depriving the Appellant of a fair opportunity to remedy the default.

19. A decision of the Single Judge of FIFA PSC (FPSD-20030) was rendered on 30 September 2025 (the "Appealed Decision") and notified with grounds to the Parties on 5 November 2025.

20. A summary of the FIFA PSC Single Judge's reasoning in the Appealed Decision is as follows:

- First, the Single Judge found that the Appellant had acknowledged non-payment of the first installment and had provided no valid justification therefor and accordingly concluded that the amount of USD 550,000 was overdue and outstanding.

- Second, with respect to the Acceleration Clause, the Single Judge recalled that, in accordance with the consistent jurisprudence of the Football Tribunal, the acceleration of subsequent payments upon the non-payment of a principal installment is a practice that is traditionally recognized and considered proportionate, and accordingly held that Clause 3.5 had been validly triggered.

- Third, as regards Article 12bis of the RSTP, the Single Judge clarified that the failure to satisfy the prerequisites of that provision meant only that the Appellant could not be sanctioned thereunder, and did not affect its obligation to honour the principle of *pacta sunt servanda*.

21. Given this legal reasoning, the operative part of the Appealed Decision reads as follows:

"1. The claim of the Claimant, AIK FF, is partially accepted.

2. The Respondent, Zamalek S.C., must pay the Claimant the following amount(s):

– USD 1,100,000 as outstanding amount plus 5% interest p.a. as follows:

– 5% interest p.a. over the amount of USD 550,000 as from 1 July 2025 until the date of effective payment;

– 5% interest p.a. over the amount of USD 550,000 as from 12 July 2025 until the date of effective payment.

3. Any further claims of the Claimant are rejected.

[...]

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.
[…]

7. The final costs of the proceedings in the amount of USD 25,000 are to be paid by the Respondent to FIFA […]".

III. PROCEEDINGS BEFORE THE COURT OF ARBITRATION FOR SPORT

22. On 20 November 2025, Zamalek SC filed a Statement of Appeal with the CAS Court Office, in accordance with Article R47 et seq. of the Code of Sports-related Arbitration

(2025 Edition) (the "Code"), challenging the Appealed Decision. In the Statement of Appeal, the Appellant requested that the proceedings be submitted to a Sole Arbitrator, citing the financial constraints arising from the current state of the Egyptian currency, and elected English as the language of the proceedings.

23. On 8 December 2025, FIFA informed the CAS Court office that it had renounced intervening in the current arbitration proceedings.

24. On 12 December 2025, the Appellant filed its Appeal Brief in accordance with Article R51 of the Code.

25. On 20 February 2026, the Respondent filed its Answer in accordance with Article R55 of the Code, within the extended time limit.

26. On 28 January 2026, in accordance with Article R54 of the Code and on behalf of the Deputy President of the CAS Appeals Arbitration Division, the CAS Court Office informed the Parties that the Panel appointed to the present proceedings was constituted as follows:

- Mr Francesco Macrì, Attorney-at-law in Piacenza, Italy, as Sole Arbitrator

27. On 4 February 2026, the CAS Court Office informed the Parties that, upon the Sole Arbitrator's decision, a request for the file of the proceedings before the Players' Status Chamber was sent to FIFA.

28. On 11 March 2026, the CAS Court Office informed the Parties that the Sole Arbitrator deemed himself sufficiently well-informed to decide the case based solely on the Parties' written submissions.

29. On 24 March 2026, the CAS Court Office issued an Order of Procedure, which was duly signed and returned by the Respondent on the same date and by the Appellant on 28 March 2026. By signing the Order of Procedure, the Parties confirmed their agreement that the Sole Arbitrator decide the matter based solely on their written submissions and that their right to be heard had been respected.

30. The Sole Arbitrator confirms that it carefully heard and took into account in its decision all the submissions, evidence, and arguments presented by the Parties, even if they have not explicitly been summarised or referred to in the present arbitral award.

IV. SUBMISSIONS OF THE PARTIES AND REQUESTS FOR RELIEF

31. This section of the Award does not contain an exhaustive list of the Parties' contentions. It aims to provide a summary of the substance of the Parties' main arguments. In considering and deciding upon the Parties' claims in this Award, the

Sole Arbitrator has accounted for and carefully considered all of the submissions made and evidence adduced by the Parties, including allegations and arguments not explicitly mentioned in this section of the Award or in the discussion of the claims below.

A. The Appellant's Submissions

32. The Appellant's submissions, in essence, may be summarised as follows:

- Zamalek contends that the Appealed Decision must be set aside or substantially modified on several grounds

- First, the Appellant submits that the FIFA PSC wrongly enforced the Acceleration Clause without undertaking the proportionality analysis required by mandatory Swiss law. In this respect, the Appellant invokes Article 163(3) of the Swiss Code of Obligations (the "SCO"), which provides that a tribunal may reduce or invalidate an excessive contractual penalty.

- The Appellant argues that Clause 3.5 constitutes a punitive penalty clause rather than a genuine compensatory mechanism, because it obliges the debtor to pay an installment that was not yet contractually due — the second installment of USD 550,000, due only on 30 June 2026 — solely as a consequence of a short administrative delay.

- The Appellant contends that, under Swiss and CAS jurisprudential criteria, a penalty is excessive when it bears no reasonable relation to the protected interest, when the creditor suffers no actual harm, when the debtor acted without bad faith, and when enforcement would be economically oppressive. In the Appellant's submission, all of these criteria are fulfilled in the present case.

- Second, the Appellant argues that the default notice sent by the Respondent on 4 July 2025 was ineffective, as it was not addressed to the new management of Zamalek and was not received by the responsible personnel following the internal restructuring of 20 June 2025.

- Third, the Appellant contends that the FIFA PSC incorrectly applied the burden of proof, placing upon Zamalek the obligation to prove facts that the Respondent ought to have demonstrated, including the proportionality of the Acceleration Clause, the effectiveness of the default notice, and the absence of actual harm suffered.

- Fourth, the Appellant submits that the FIFA PSC failed to give adequate weight to relevant mitigating circumstances, including the administrative transition, the absence of bad faith, the Appellant's immediate willingness to cure the breach once it became aware of the overdue amount, and the severe financial impact that enforcement of the fully accelerated amount would have upon the club.

- Fifth, the Appellant argues that, even if the Acceleration Clause were held to be valid and enforceable in principle, CAS has the authority to restructure the payment obligations in the interests of fairness and proportionality.

33. On this basis, the Appellant made the following request for relief:

"I. Set aside the FIFA PSC decision of 30 September 2025 (Ref. FPSD-20030).

II. Declare that Clause 3.5 (the Acceleration Clause) is unenforceable, or alternatively, substantially reduce its effect under Art 163(3) Swiss CO.

III. Order that only the first instalment of USD 550,000 (plus 5% interest) is currently due.

IV. Restore or modify the payment schedule for the second instalment according to principles of fairness.

V. Annul the USD 25,000 procedural costs order imposed by FIFA.

VI. Confirm that no sporting sanctions (including registration ban), may be applied, as the prerequisites of Article 12bis were not satisfied.

VII. Order AIKFF to bear the costs of the arbitration, or alternatively apportion costs fairly.

VIII. Grant any other equitable relief as the Panel deems appropriate".

B. The Respondent's Submissions

34. The Respondent's submissions, in essence, may be summarised as follows:

- AIK contends that the appeal must be dismissed in its entirety and the Appealed Decision confirmed.

- First, with regard to the overdue payable, the Respondent submits that the facts are not in dispute: the first installment of USD 550,000 fell due on 30 June 2025 and has not been paid to this day.

- The Respondent duly issued the relevant invoice on multiple occasions between May and July 2025 and sent the formal default notice on 4 July 2025 to two e-mail addresses that were both used by the Parties during the negotiation of the Transfer Agreement and were listed on the Appellant's TMS profile at the relevant time.

- Relying also upon FIFA jurisprudence, the Respondent argues that a creditor is entitled to rely in good faith upon the contact information available in the TMS, and that it is the club's duty to keep such information updated.

- The Respondent further observes that, despite claiming to have arranged payment upon becoming aware of the overdue amount, Zamalek has still not made any payment, approximately seven months after the relevant due date, which demonstrates that the default is not merely technical.

- Second, with regard to the validity and enforceability of the Acceleration Clause, the Respondent submits that the Appellant fundamentally conflates an acceleration clause with a penalty clause.

- The Respondent draws attention to the well-established jurisprudence of both CAS and the FIFA Football Tribunal, pursuant to which acceleration clauses are common, widely accepted, valid, and proportionate contractual provisions that fall within the parties' contractual freedom (see CAS 2020/A/7305). An acceleration clause merely advances the enforceability date of a pre-existing obligation; it does not impose any additional financial burden upon the debtor and therefore does not constitute a penalty clause within the meaning of Article 163(3) of the SCO.

- The Respondent further relies upon CAS 2024/A/10881, in which the Sole Arbitrator held that an acceleration clause only alters the initial payment calendar without imposing any additional sum, and is therefore neither disproportionate, excessive, nor unreasonable.

- Third, the Respondent contends that the Appellant's good faith argument is without merit, given that good faith cannot serve as a justification for departing from the principle of *pacta sunt servanda*.

- The Respondent further emphasises that Zamalek has not made any payment even after acknowledging the debt, which evidences an absence of good faith rather than its presence.

35. On these grounds, the Respondent made the following requests for relief:

"a) That the present Answer to the Appeal be deemed admissible;

b) That the Appeal be rejected in totum;

c) That the Appealed Decision be confirmed in totum and that the initial claim of the Respondent be fully accepted;

d) That the Appellant be ordered to bear the entire costs and fees of the present arbitration as well as the proceedings before the FIFA PSC;

e) That the Appellant be ordered to pay the Respondent a contribution towards legal fees and other expenses incurred in connection with the proceedings in an amount not less than CHF 10,000, or the amount deemd fair by the Sole Arbitrator".

V. JURISDICTION

36. The jurisdiction of CAS derives from Article R47 of the Code, which reads:

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

37. Article 50 paragraph 1 of the FIFA Statutes (Edition 2024) states that "*[a]ppeals 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*".

38. The Parties do not contest CAS jurisdiction. Moreover, Clause 6.2 of the Transfer Agreement expressly provides that any dispute arising out of or in connection with the Agreement shall be submitted to the competent decision-making body of FIFA, with the right of appeal to CAS.

39. The jurisdiction of CAS is further confirmed by the Order of Procedure duly signed by the Parties.

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

VI. ADMISSIBILITY

41. Article R49 of the CAS Code provides 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. 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".*

42. The FIFA Statutes provide that appeals must be made within 21 days of receipt of the decision being appealed.

43. The Appealed Decision was communicated to the Parties on 5 November 2025.

44. The Appellant filed its Statement of Appeal on 20 November 2025 and, therefore, within 21 days from the communication of the Appealed Decision. The Club completed its appeal in accordance with the terms of Articles R48 and R51 of the Code and within the deadline set by the CAS Court Office for its submission. The Appeal complied with all of the requirements of Article R47 et seq. of the Code, including the payment of the CAS Court Office fee.

45. It follows that the Appeal is admissible.

VII. APPLICABLE LAW

46. Article R58 of the Code provides as follows:

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

47. Article 49(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".*

48. Clause 6.1 of the Transfer Agreement further provides that the Agreement is governed by the rules and regulations of FIFA. Both Parties confirmed in their respective written submissions that the applicable law is constituted by the FIFA Regulations and that Swiss law additionally applies to fill any *lacunae.*

49. The Sole Arbitrator is satisfied that the FIFA Regulations — in particular the Regulations on the Status and Transfer of Players (July 2025 Edition) and the Procedural Rules Governing the Football Tribunal (January 2025 Edition) — are applicable to the merits of the present dispute, with Swiss law applying subsidiarily.

VIII. MERITS

A. The Main Issues

50. The Sole Arbitrator notes that several material facts are not in dispute between the Parties.

51. It is common ground that the Parties concluded the Transfer Agreement on 3 September 2024 for the permanent transfer of the Player from AIK to Zamalek for a Fixed Transfer Fee of USD 1,100,000, payable in two equal installments of USD 550,000 each. It is equally undisputed that the first installment fell due on 30 June 2025, that the Respondent duly issued the relevant invoice, and that the first installment has not been paid to date.

52. The Respondent sent a formal default notice on 4 July 2025, granting a ten-day cure period. The Acceleration Clause in Clause 3.5 of the Transfer Agreement expressly provides that all future installments become immediately due in the event of non-payment within ten days of the relevant due date.

53. The principal dispute in the present proceedings concerns the legal consequences of the admitted non-payment. The main issues to be resolved by the Sole Arbitrator are:

(i) Whether the Respondent's default notice of 4 July 2025 was effective for the purposes of triggering the Acceleration Clause;

(ii) Whether the Acceleration Clause contained in Clause 3.5 of the Transfer Agreement constitutes an enforceable acceleration clause or an excessive penalty clause subject to judicial reduction pursuant to Article 163(3) of the SCO; and

(iii) Whether the mitigating circumstances invoked by the Appellant — in particular the management transition and the absence of subjective bad faith — have any bearing upon the enforceability of the Acceleration Clause.

54. Before addressing these issues, the Sole Arbitrator recalls the applicable standard and burden of proof. Pursuant to Article 13, paragraph 5, of the Procedural Rules Governing the Football Tribunal, a party claiming a right on the basis of an alleged fact shall carry the respective burden of proof. This is consistent with CAS jurisprudence, which holds that a party wishing to prevail on a disputed issue must discharge its burden of proof and affirmatively substantiate the facts on which it relies: "*In CAS arbitration, any part wishing to prevail on a disputed issue must discharge its burden of proof, i.e. 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 estabilishing them […] The Code sets forth an adversarial system of arbitral justice, raher than an inquisitorial one. Hence, if a party wishes to establish some fact and persuade the deciding body, it must actively susbstantiate its allegations with convincing evidence" (e.g. CAS 2009/A/1810 &1811, para 18 and CAS 2020/A/6796, para 98)"*.

55. Under Swiss law, pursuant to Article 8 of the Swiss Civil Code ("SCC"), the burden of proving the existence of an alleged fact rests on the party that derives rights from it: "*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"*.

Was the Respondent's default notice of 4 July 2025 effective?

56. The Appellant contends that the Respondent's default notice was ineffective because it was not directed to the new management of Zamalek following the internal restructuring of 20 June 2025 and was not received by the responsible personnel.

57. The Sole Arbitrator does not accept this submission.

58. It is undisputed that the Respondent sent the default notice on 4 July 2025 to two e-mail addresses — football@zamaleksc.com and amradham@hotmail.com — that had been used by the Parties during the negotiation and execution of the Transfer Agreement and that were listed on the Appellant's TMS profile at the relevant time.

59. In the absence of a specific notification address agreed between the Parties in the Transfer Agreement, the Respondent was entitled to direct its communications to the contact details officially available on the FIFA-TMS, which constitute the authoritative contact information registered by the Appellant with FIFA.

60. This finding is grounded in the following provisions of the applicable regulatory framework. Article 10, paragraph 3, of the Procedural Rules provides, in terms that are directly applicable to proceedings before the FIFA Football Tribunal:

> *"Parties must review TMS and the Legal Portal at least once per day for any communications from FIFA. Parties are responsible for any procedural disadvantages that may arise due to a failure to properly undertake such review. The contact details indicated in TMS are binding on the party that provided them".*

61. The binding character of TMS contact details is further reinforced by Annexe 3, Title III, Article 7, (b) of the RSTP (July 2025 Edition), which imposes a specific and express obligation upon clubs to *"ensure that their contact details (postal address, telephone, and e-mail address) are valid and always kept up to date*". Moreover, Annexe 3, Title III, Article 6, paragraph 2, subparagraph (j) of the RSTP requires clubs and associations, as a general obligation, to *"ensure that the e-mail address of any authorised TMS user is valid and always kept up to date".*

62. Even if the foregoing provisions formally govern communications from FIFA to clubs, they reflect a broader principle that is equally applicable, within the football regulatory system, to communications exchanged between negotiating clubs. It was therefore the Appellant's responsibility to ensure that its TMS contact information remained valid and up to date; this was a regulatory obligation, not merely an administrative convenience. Any failure to do so cannot operate to the detriment of a creditor acting in good faith in reliance on officially registered contact details. In the ordinary course, communications between clubs are conducted by e-mail; accordingly, the risk of non-receipt must be borne by the debtor that failed to comply with its obligation to keep such contact information current.

63. The Sole Arbitrator further observes that the e-mail address amradham@hotmail.com remained listed as the Appellant's official contact e-mail on TMS at the time of the filing of the Respondent's Answer, as submitted by the Respondent and not contested by the Appellant. The Appellant cannot simultaneously maintain a contact address on TMS and thereafter dispute the effectiveness of a default notice delivered to that address.

64. Finally, the Transfer Agreement imposes no obligation upon the Respondent to verify whether the Appellant's contact details had changed, nor does it contain any specific provision governing the modalities of communication between the Parties. Rather, having regard to Clause 6.1 of the Transfer Agreement, the Sole Arbitrator considers that, by agreeing that their contractual relationship would be governed by the FIFA rules and regulations, the Parties also accepted the corresponding regulatory obligations, including the duty to use the official e-mail addresses recorded in TMS and to ensure that such contact details remained valid and up to date.

65. The Sole Arbitrator therefore finds that the Respondent's default notice of 4 July 2025 was validly and effectively delivered within the meaning of the applicable law and the terms of the Transfer Agreement, and that the ten-day cure period thereby commenced on 5 July 2025, expiring on 14 July 2025. The first installment having remained unpaid by that date, the conditions for the application of the Acceleration Clause were thus met.

Does the Acceleration Clause constitute an enforceable provision or an excessive penalty subject to reduction under Article 163(3) SCO?

66. The Appellant's principal substantive argument is that the Acceleration Clause constitutes an excessive penalty clause that must be reduced or invalidated pursuant to Article 163(3) of the SCO. This argument requires careful consideration.

67. Article 163(3) of the SCO provides that a judge may, in his or her discretion, reduce an excessive contractual penalty. This provision is mandatory and cannot be excluded by contract. It applies whenever a contractual penalty produces a disproportionate financial consequence for the debtor:

> *"1. The parties are free to fix the penalty at whatever amount they choose.*
>
> *2. The penalty may not be demanded if performance of the contract has been prevented by circumstances for which the obligor is not responsible, and it may not be reduced to equitable proportions if the main obligation has been only partly or imperfectly performed.*
>
> *3. The judge shall reduce penalties that he considers excessive".*

68. The threshold question, however, is whether the Acceleration Clause contained in Clause 3.5 of the Transfer Agreement constitutes a penalty clause at all, or whether it is more properly characterised as an acceleration clause of a purely temporal nature.

69. The distinction between the two categories is well established in both Swiss law and CAS jurisprudence. A penalty clause imposes upon the debtor an additional financial burden exceeding the originally agreed contractual obligation; its purpose is punitive or coercive and the sum payable typically exceeds the creditor's actual loss. An acceleration clause, by contrast, does not alter the total amount contractually owed, but merely advances the date upon which pre-existing obligations become due and payable.

The debtor pays no more than what was contractually agreed; only the timing of enforceability changes.

70. In CAS 2020/A/7305, Club Atlético Mineiro v. Club Atlético Rentistas, the Sole Arbitrator examined this distinction in the context of a player termination agreement providing for accelerated payment upon default and held:

"57. The Sole Arbitrator considers that within transfers agreements where payments are scheduled in several instalments, it is very usual to include an acceleration clause. All in all, in due application of the party autonomy principle it becomes clear that Parties are free to determine the terms that will regulate their relationship, which, in the present case, turns the acceleration clause a valid agreement that was freely entered into by Atlético Mineiro. 58. Indeed, the acceleration clause of the Agreement is not a penalty clause since it does not require the Club to pay any additional amount but only to pay the previously agreed sum earlier".

71. In TAS 2025/A/11122, Sport Club Corinthians Paulista c. Santos Laguna, the panel addressed this distinction and held that an acceleration clause obliges a club to pay residual instalments ahead of the originally agreed payment calendar but does not impose any additional sum upon the debtor. It is based on the free will of the Parties and merely alters the enforceability date of a pre-existing obligation and does not therefore constitute a penalty within the meaning of Article 163(3) of the SCO. Its enforcement cannot be considered disproportionate, excessive, or unreasonable:

"48-49. The "acceleration clause" constitutes a contractual agreement, entered into in accordance with private autonomy, which allows creditors to enforce today what, under periodic, partial, or successive payments, would be enforceable tomorrow if the debtor had fulfilled his obligation in a timely manner. 49. Clause 1.6 of the Contract establishes the consequences of non-compliance, altering the payment method that was originally provided for in several instalments to a single one, payable upon non-payment of the second installment. That is, as another CAS Panel states, the acceleration clause "…merely sets another (contractually agreed) time table [sic] for making payments of the installments, specific requirements should be met" (cf. CAS 2021/A/7673 & 7699, para. 126).

72. In this regard, it must be noted that accelerating subsequent payments upon non-payment of a principal installment is a practice traditionally recognized and considered proportionate, insofar as it constitutes a security mechanism in favor of the creditor.

73. The Sole Arbitrator fully concurs with the findings of the Appealed Decision. In the present case, Clause 3.5 of the Transfer Agreement does not impose any financial obligation on Zamalek beyond the Fixed Transfer Fee of USD 1,100,000 that was freely and voluntarily agreed upon by both Parties on 3 September 2024.

74. The clause merely accelerates the due date of the second installment from 30 June 2026 to the date of default, as a consequence of the Appellant's failure to pay the first installment within ten days of its contractual due date. The total amount payable by the Appellant remains unchanged. There is accordingly no basis upon which to characterize Clause 3.5 as punitive in the legal sense relevant to Article 163(3) of the SCO and for judicial reduction or modification of the clause.

75. The Sole Arbitrator further notes that the conditions for the application of Article 163(3) of the SCO are not fulfilled on the facts of the present case in any event. The Appellant has not demonstrated that the Respondent suffered no harm from the delay.

76. To the contrary, the non-payment of the first installment, combined with the sustained absence of any remedy to date, represents a concrete and ongoing prejudice to the Respondent, which has been deprived of a substantial contractual payment for a prolonged period. Furthermore, the second installment is not a future hypothetical obligation; it is a pre-agreed component of the agreed transfer consideration that was factored into the commercial equilibrium of the Transfer Agreement.

77. According to TAS 2025/A/11122, *"*[t]*his mechanism is established to discourage potential defaults by the debtor and, at the same time, to act as a sort of guarantee or safeguard for the creditor against any loss of confidence they may experience in the debtor's ability to pay. In other words, the clause in question does not constitute a penalty, so it can hardly be considered abusive, much less a factor that could alter the principle of pacta sunt servanda. 52. The immediate enforceability of the obligation whose payments were agreed upon within a suspensive period may or does occur – depending on whether it is optional or imperative".*

78. Therefore, the Sole Arbitrator holds that the Acceleration Clause contained in Clause 3.5 of the Transfer Agreement is valid and enforceable. Its application in the present case is consistent with the principle of *pacta sunt servanda*, the Parties' contractual autonomy, and established CAS jurisprudence.

Do the mitigating circumstances invoked by the Appellant affect the enforceability of the Acceleration Clause?

79. The Appellant relies upon several mitigating circumstances as grounds for declining to enforce, or moderating the effect of, the Acceleration Clause: the management transition of 20 June 2025, the absence of subjective bad faith, the Appellant's good-faith reaction upon becoming aware of the default, and the severe financial burden that full enforcement of the accelerated amount would impose upon the club.

80. The Sole Arbitrator acknowledges that these circumstances may be relevant to the characterization of the Appellant's conduct. However, within the legal framework governing the enforcement of contractual obligations, they do not provide a sufficient basis to displace the binding effect of a freely negotiated contractual provision.

81. The management transition of 20 June 2025, whatever its practical consequences for internal communications, does not constitute force majeure or any analogous legal concept that would excuse contractual non-performance under Swiss law or the applicable FIFA Regulations. A club's internal organisational difficulties and personnel changes are events within its own sphere of control, for which it bears responsibility in relation to third parties. The Appellant could not unilaterally exempt itself from its contractual obligations by reference to internal administrative developments, particularly where it had a duty to maintain updated and accessible contact information on the FIFA-TMS platform.

82. Furthermore, the Sole Arbitrator observes that the Transfer Agreement was signed on 3 September 2024, i.e. approximately nine months before the appointment of the Appellant's new Sporting Director. The Respondent also sent the relevant invoice on multiple occasions between May and July 2025, including before the management transition commenced in June 2025. The Appellant therefore had ample time and opportunity to arrange payment of the first instalment prior to its contractual due date of 30 June 2025 but failed to do so.

83. No explanation has been advanced for this failure, nor has any evidence been submitted to establish that the invoice communications sent prior to the management transition were not received by the responsible personnel at that time. Rather, the evidence on file confirms that, even if the appointment of the new management took place in June 2025, the Appellant waited until 23 July 2025 — more than one month later — to request that FIFA create a new user account, thereby demonstrating a lack of particular diligence in relation to a fundamental aspect of club administration, namely keeping its TMS contact details accurate and up to date.

84. Given these findings, with regard to the Appellant's good-faith argument, the Sole Arbitrator recalls that good faith cannot operate as a shield against the enforcement of a binding contractual commitment. The principle of *pacta sunt servanda* requires that parties honour their freely assumed obligations. Financial difficulties, administrative errors, and other internal circumstances of a contracting party, however genuine, do not suspend or modify the obligations arising from a freely concluded contract.

85. Moreover, as the Respondent has correctly observed, the Appellant has not made any payment in respect of either installment, notwithstanding its claimed willingness to do so upon becoming aware of the default. This sustained inaction over approximately seven months is difficult to reconcile with a genuine absence of bad faith and casts doubt on the credibility of the administrative oversight argument.

86. As regards the financial hardship argument, the Sole Arbitrator recognises the importance of financial stability in football. However, the financial consequences of freely assumed contractual obligations cannot, without more, constitute grounds for modifying or setting aside that obligation.

87. The Acceleration Clause was a term that Zamalek signed and accepted. Its economic consequences were foreseeable at the time of contracting. To permit a debtor to avoid the agreed consequences of non-payment by reference to financial difficulty would undermine the sanctity of contract and the systemic integrity of international player transfer arrangements.

88. The Sole Arbitrator accordingly finds that none of the mitigating circumstances invoked by the Appellant provide a legal basis for declining to enforce, reducing, or restructuring the obligation arising. from the Acceleration Clause.

C. Conclusion

89. Based on the foregoing, the Sole Arbitrator finds that:

(i) The Respondent's default notice of 4 July 2025 was validly and effectively delivered to the Appellant's officially registered contact details, and accordingly satisfies the requirements for the triggering of the Acceleration Clause;

(ii) The Acceleration Clause contained in Clause 3.5 of the Transfer Agreement constitutes a valid and enforceable contractual provision properly characterised as an acceleration clause rather than a penalty clause, and does not fall within the scope of Article 163(3) of the SCO; and

(iii) The mitigating circumstances invoked by the Appellant — including the management transition, the absence of subjective bad faith, and financial hardship — do not provide any legal basis for setting aside, reducing, or restructuring the obligation arising from the Acceleration Clause.

90. As a consequence of the Appellant's failure to pay the first installment of USD 550,000 within ten days of its due date of 30 June 2025, the Acceleration Clause was triggered and the second installment of USD 550,000 became immediately due and payable. The full Fixed Transfer Fee of USD 1,100,000, together with the applicable interest as awarded by the FIFA PSC, is accordingly owed by the Appellant to the Respondent.

91. The Appeal is therefore dismissed in its entirety. The Appealed Decision is confirmed.

IX. Costs

(…)

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ON THESE GROUNDS

The Court of Arbitration for Sport rules that:

1. The appeal filed on 20 November 2025 by Zamalek SC against the decision issued on 30 September 2025 by the Single Judge of the Players' Status Chamber of the Fédération Internationale de Football Association is dismissed.

2. The decision issued on 30 September 2025 by the Single Judge of the Players' Status Chamber of the Fédération Internationale de Football Association is confirmed in its entirety.

3. (…).

4. (…).

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

Seat of Arbitration: Lausanne, Switzerland
Date: 1 July 2026

THE COURT OF ARBITRATION FOR SPORT

Francesco Macrì
Sole Arbitrator