



TAS / CAS

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

CAS 2024/A/10723 Miguel Fernando Dias Pinto v. Al-Hazem Sport Club

ARBITRAL AWARD

delivered by the

COURT OF ARBITRATION FOR SPORT

sitting in the following composition:

Sole Arbitrator: Mr Fabio Iudica, Attorney-at-Law, Milan, Italy

in the arbitration between

Miguel Fernando Dias Pinto, Portugal

Represented by Mr Breno Costa Ramos Tannuri, Attorney-at-Law at Tannuri Ribeiro Advogados, São Paulo, Brazil

- Appellant -

and

Al-Hazem Sport Club, Saudi Arabia

Represented by Mr Ali Abbes and Mr Mohamed Rokbani, Attorneys-at-Law at Global Sport Consulting Law Firm, Monastir, Tunisia

- Respondent -

I. INTRODUCTION

1. This appeal is brought by Mr Miguel Fernando Dias Pinto, against the decision rendered by the Players' Status Chamber of the FIFA Football Tribunal (also referred to as the "PSC" or the "Chamber") on 23 April 2024, notified on 14 June 2024, regarding an employment-related dispute with Al-Hazem Sport Club (the "Appealed Decision").

II. THE PARTIES

2. Mr Miguel Fernando Dias Pinto (the "Appellant" or the "Assistant Coach") is a professional coach of Portuguese nationality.
3. Al-Hazem Sport Club (the "Respondent" or the "Club") is a professional football club with its registered office in Ar Rass, Saudi Arabia, competing in the Saudi Pro League. The Club is a member of the Saudi Arabia Football Federation (the "SAFF"), which in turn is affiliated to the Fédération Internationale de Football Association ("FIFA").
4. The Club and the Assistant Coach are jointly referred to as the "Parties".

III. FACTUAL BACKGROUND

A. Background Facts

5. Below is a summary of the main relevant facts and allegations based on the Parties' written submissions, and the evidence examined in the course of the proceedings. Additional facts and allegations may be set out, where relevant, in connection with the further legal discussion. While the Sole Arbitrator has considered all the facts, allegations, legal arguments and evidence submitted by the Parties in their written submissions and at the hearing in the present proceedings, he refers in the Award only to the submissions and evidence he considers necessary to explain its reasoning.
6. On 1 June 2022, following the appointment of Mr Antonio Filipe de Sousa Gouveia as the first team Head Coach, the Assistant Coach signed an employment contract with the Club valid as from 1 July 2022 until 30 June 2023 under which he was hired as a physical coach for the coaching staff of the Club's first team (the "First Employment Contract").
7. According to Article 3.1 of the First Employment Contract, the Assistant Coach was entitled to a total remuneration of 60,000 USD, to be paid in 12 monthly salaries of 4,500 USD each as well as an advance payment of 6,000 USD due on 1 August 2022. Moreover, the Assistant Coach was entitled to a bonus equivalent to three salaries if the Club was promoted to the Saudi Pro League, as well as other performance bonus and other benefits.
8. On 6 June 2023, the Head Coach and his coaching staff reached an agreement with the Club to extend their employment relationship for a further sporting season. Consequently, the Parties signed a new employment contract according to which the

Assistant Coach was hired for the position of assistant coach of the first team coaching staff. The Second Employment Contract was valid as from 1 July 2023 until 30 June 2024 (the “Second Employment Contract”), for a total value of 90,000 USD to be paid as follows:

- “- (18.000 USD) as an advance payment paid on 01 Nov 2023.*
- (72.000 USD) as a monthly salary divided on (12) months.*

3.2. Accommodation, Transportation, Air Tickets round-trip (one for the you and for your wife) and Insurance (The Club shall provide).

3.3. Win Bonus: (100%) win bonuses according to the club's bonus regulations”.

9. Pursuant to Article 6 of both the First and the Second Employment Contract, the Parties stipulated the terms for amending or terminating the relevant employment relationship as follows:

“6.1. The Contract may be terminated before its expiry by mutual agreement.

6.2. Amendments may be made to a contract by agreement of the two parties that shall sign any addition or omission.

6.3. The first party shall have the right to terminate the contract if the Second Party speaks to the media of anything harmful or has a negative effect of [sic] the first party.

6.4. Each party can terminate the contract before its Term for just cause or without just cause and in that case the party who is responsible for the earlier termination has to pay to the other party a conventional liquidated damage clause equal to the value of two salaries”.

10. At the end of the 2022/2023 sporting season, the Club finished second in the Saudi First Division League and was consequently promoted to the Saudi Pro League.
11. According to the Assistant Coach, on 5 October 2023, following the Club’s 4-1 loss to Damas FC, the Club dismissed the Head Coach and his entire coaching staff.
12. On 9 October 2023, Mr. Demetrio Montanini, the agent of the Head Coach and his entire coaching staff, including the Assistant Coach, sent a formal notice to the Club, stating the following:

“At this moment I need your club Al Hazem to officially communicate on the club's letterhead, signed and stamped, the dismissal from the work of Mister Antonio Filipe Gouveia and all his technical staff including (physiologist and physiotherapist), by decision of your club Al Hazem, in this letter, it must be stated that any agreement concluded in the contract between the parties will be maintained, i.e. payment of outstanding salaries, contractual fine for dismissal, game bonuses, contract signing bonuses, division access bonuses, travel payments for return to your countries Portugal and Brazil, these items refer to the 2022/2023 and 2023/2024 seasons, all amounts will be the full responsibility of your club Al Hazem SC.

The Al Hazem club is responsible for making payments to Coach Antonio Filipe Gouveia and all of his technical staff within 48 (forty-eight) hours after dismissal, each member of the Technical Staff will have their amounts duly added in accordance with the contract signed and Only after acceptance by the Coach and his Technical Staff of the values presented by the Al Hazem club will we terminate the contractual relationship between the parties”.

13. On 10 October 2023, the Club sent a letter to the Head Coach through his agent, with the following content: *“According to our verbal agreement to terminate the contract mutually. And while waiting to settle administrative and financial procedures as soon as possible, you are asked to not attend the first team training. Please inform that for your technical and medical staff”.*
14. The Club failed to pay the outstanding sums to the Head Coach and the entire coaching staff by the 48-hour deadline set out in the Head Coach’s letter dated 9 October 2023.
15. On an unspecified date, presumably in October 2023, the Club addressed a letter to the Assistant Coach reading as follows:

“Due to the very poor sports results of the first team, we agreed verbally with the head coach to end the contractual relationship with all the technical staff. Hereby we inform you that Al Hazem Club has terminated your employment contract that was signed on 06-06-2023 unilaterally due to the poor results.

Additionally, please note that the outstanding amounts and the penalty clause which is (34,790USD) correspond to the following:

1-(6,000 USD) salary of September 2023, and (USD 3,290) which is the total amount of (17) days from the salary of October 2023.

2-(13,500 USD) as a bonus of the promoted to the pro leagues in the last season.

3-(12,000USD) as a compensation for the premature termination of the contract according to Article 6 of the employment contract.

Please note these amounts will be paid within 30 days.

Finally, we thank you for your professionalism and wish you all the best in your career”.

16. On 20 October 2023, the Club officially announced the signing of Mr Daniel Carinho as the new head coach.

B. The FIFA Proceedings

17. On 21 December 2023, the Assistant Coach lodged a claim before FIFA against the Club based on Article 5.3 of the Second Employment Contract as well as on Articles 22 and 23 of the FIFA Regulations on the Status and Transfer of Players (the “RSTP”). In essence, he argued that the Club had unilaterally terminated the Second Employment

Contract without just cause due to poor sporting results and requested payment of outstanding remuneration to which he was entitled to under the First and the Second Employment Contract, as well as the applicable compensation for the Club's unilateral termination without just cause.

18. The Assistant Coach argued that the Second Employment Contract was terminated by the Club without just cause due to poor sporting results following the First team's defeat against Damas FC and that the Club prevented him from performing his contractual duties which constituted a breach of his personality rights.
19. Regarding the claim for outstanding salaries, the Assistant Coach maintained that he was entitled to receive a total amount of 22,833.34 USD corresponding to two match-win bonuses and the promotion bonus under the First Employment Contract and a total amount of 7,333.34 USD corresponding to the outstanding salary for September 2023 as well as outstanding bonuses under the Second Employment Contract. In addition, he also requested 5% interest p.a. on the outstanding amounts from the relevant due dates until the date of effective payment.
20. As to compensation for unilateral termination without just cause, he argued that the liquidated damage clause in Article 6.4. of the Second Employment Contract was invalid, as it is potestative, unreasonable and disproportionate. Therefore, he claimed he was entitled to receive 72,000 USD net (i.e. 6,000 USD x 9 plus advance payment of 18,000 USD due in November 2023) in accordance with Article 6(2) of Annex 2 of the RSTP, plus default interest at 5% p.a. as from 6 October 2023 until the date of effective payment. Furthermore, the Assistant Coach requested the reimbursement of the cost of flight tickets in the amount of 544.22 EUR. He also claimed that the relevant payments should be "net" as he was no longer residing in Saudi Arabia and *"the Club should also have to afford the taxes applicable in the new country of residence of Coach in accordance with its local laws"*.
21. The Club replied that, while they were aware that poor sporting results are not considered a just cause for termination by FIFA and CAS jurisprudence, the Parties had agreed to terminate the Second Employment Contract *"conventionally and amicably"* and that the Head Coach had negotiated with the Club on behalf of the entire coaching staff, including the Assistant Coach. However, according to the Club, a written settlement agreement was not reached due to some disagreement over the payment method.
22. Moreover, the Club argued that it was not responsible for any taxes or deductions due outside the territory of Saudi Arabia; that it had no outstanding payables towards the Assistant Coach, including liquidated damages and that Article 6.4 of the Second Employment Contract was a conventional liquidated damages clause negotiated between the Parties in accordance with Swiss law and CAS jurisprudence. Consequently, Article 6.4 was the only criterion to be applied in the present case to determine the amount of compensation payable in the event of termination without just cause. Furthermore, the relevant liquidated damages clause in the Second Employment Contract was reciprocal and should be fully applied pursuant to Article 160(1) of the Swiss Code of Obligations (the "SCO").

23. In his rejoinder, the Assistant Coach insisted that the unilateral termination by the Club completely lacked any just cause and stressed that in its response the Club confirmed that the Second Employment Contract was terminated due to poor sporting results. He also acknowledged that on 24 January 2024, the Club paid him 34,790 USD corresponding to “(i) the outstanding salary of the month of September 2023, (ii) a pro-rata monthly salary of October 2023 (iii) the bonus for the promotion to the Saudi Pro League during the 2022-2023 sporting season and (iv) the payment of the liquidated damages clause”.
24. Furthermore, he argued that the Club failed to prove the existence of any verbal agreement for the mutual termination and that the Head Coach had allegedly negotiated on behalf of all the coaching staff, including the Assistant Coach and that the Parties had never entered into a valid termination agreement.
25. The Assistant Coach also argued that, according to CAS jurisprudence, a liquidated damage clause granting less than what the employee would have earned under the employment contract is null and void and that a fix amount of only two monthly salaries, corresponding to 16.67% of the residual value of the Second Employment Contract is unfair and disproportionate.
26. Finally, taking into account the payment made by the Club on 24 January 2024, the Assistant Coach finally submitted the following requests for relief:

“FIRST – To uphold the present claim filed by the Coach;

SECOND – To confirm that the Club terminated the Second Employment Contract concluded with the Coach unilaterally and without valid reason (or just cause);

THIRD – To order the Club to pay to the Coach 5% interest per annum on the amount of USD 15,500 from 1 July 2023 until 24 January 2024;

FOURTH – To order the Club to pay to the Coach 5% interest per annum on the amount of USD 6,000 from 1 October 2023 until 24 January 2024;

FIFTH – To order the Club to pay to the Coach 5% interest per annum on the amount of USD 15,290 from 6 October 2023 until 24 January 2024;

SIXTH – To order the Club to pay to the Coach USD 56,710 due as compensation for unilateral termination of the Second Employment Contract without just cause plus default interest at the rate of 5% per annum from 6 October 2023 until the effective date of payment;

SEVENTH – To order the Club to pay to the Coach USD 9,333.34 NET due as contractual bonuses under the First Employment Contract plus default interest at the rate of 5% per annum from 1 July 2023 until the effective date of payment;

EIGHTH – To order to the Club to pay to the Coach USD 1,333 NET due as contractual bonuses for winning match of the King’s Cup under the Second

Employment Contract plus default interest at the rate of 5% per annum from 6 October 2023 until the effective date of payment;

NINETH – To order the Club to pay to the Coach EUR 544.22 NET as reimbursement of the tickets afforded by the Coach to return from Saudi Arabia to Portugal;

TENTH – To open the proceedings regarding the present dispute and notify the Club immediately (cf. Art. 21, par. 1 of the FIFA Procedural Rules)”.

27. In its final comments, the Club insisted that, according to FIFA jurisprudence, a formal and written contract or termination agreement is not required, and that a verbal agreement on termination is therefore considered valid. Furthermore, the Club provided proof of payment of all the outstanding amounts and maintained that the bonuses requested by the Assistant Coach have no legal or contractual basis.

28. On 23 April 2024, the FIFA PSC rendered the Appealed Decision by which the Assistant Coach’s claim was partially accepted, as follows:

“1. The Football Tribunal does not have jurisdiction to hear the claim of the Claimant, Miguel Fernando Dias Pinto, regarding the employment contract concluded with the Respondent, Al Hazem, on 1 June 2022.

2. The Football Tribunal has jurisdiction to hear the claim of the Claimant regarding the employment contract concluded with the Respondent on 6 July 2023.

3. The claim of the Claimant is partially accepted insofar it is admissible.

4. The Respondent, must pay to the Claimant the following amounts:

a. 5% interest p.a. on the amount of USD 6,000 as from 1 October 2023 until 24 January 2024;

b. 5% interest p.a. on the amount of USD 1,161 as from 6 October 2023 until 24 January 2024;

c. 5% interest p.a. on the amount of USD 12,000 as from 6 October 2023 until 24 January 2024;

d. EUR 544.22 as outstanding amount.

5. Any further claims of the Claimant are rejected.

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

*7. Pursuant to art. 8 of Annexe 2 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.*
 8. *The consequences **shall only be enforced at the request of the Claimant** in accordance with art. 8 par. 7 and 8 of Annexe 2 and art. 25 of the Regulations on the Status and Transfer of Players.*
 9. *This decision is rendered without costs”. (emphasis in original)*
29. The grounds of the Appealed Decision were served on the Parties on 14 June 2024. They can be summarized as follows.
 30. First, the Chamber considered whether it was competent to deal with the present matter.
 31. In this respect, the PSC acknowledged that, under the First Employment Contract, the claimant had been hired as a “physical coach”, that the duties assigned to him by the First Employment Contract were not inherently football related and the claimant failed to demonstrate that he was otherwise engaged in training /coaching the players. According to the FIFA RSTP, this position does not qualify as a “coach” (*i.e.* “*an individual employed in a football-specific occupation*” definition item no. 28. Therefore, the PSC concluded that the Assistant Coach’s role under the First Employment Contract is excluded from FIFA jurisdiction and that the Chamber was not competent to deal with the claim arising from the First Employment Contract since it falls outside the scope of Article 22, lit. c) of the RSTP.
 32. As to the Second Employment Contract, the PSC acknowledged that the claimant had been hired as “assistant coach” and that consequently, it was competent to deal with this part of the claim, concerning an employment-related dispute with an international dimension between a Portuguese coach (according to FIFA definition no. 28 under the RSTP) and a Saudi Arabian club.
 33. With regard to the merits, the Chamber took note that, according to the Assistant Coach, the Club unilaterally terminated the Second Employment Contract without just cause, based on unsatisfactory sporting results, and that he was entitled to outstanding remuneration and the residual value of the contract. On the other hand, the Club argued that the Parties had verbally agreed to terminate the Second Employment Contract in an amicable way, through an agreement with the Head Coach, that the liquidated damages clause in Article 6.4 should apply and that the Club had already settled all the outstanding amounts, including compensation.
 34. In this context, the PSC acknowledged that it first had to determine whether the Second Employment Contract had been mutually terminated, whether there had been just cause for termination, and whether the compensation clause under Article 6.4. was valid. The

Chamber had also to establish what amount of compensation the Assistant Coach should receive.

35. The Chamber observed that the Club only provided an excerpt of a WhatsApp message in which the Head Coach, and not the Assistant Coach, was going to sign a “*mutual agreement*”. Based on the evidence on file, the PSC considered that no mutual agreement was concluded as there was disagreement over the terms of payment and moreover, no proof had been provided that the Head Coach was negotiating on behalf of the Assistant Coach, nor of the terms of such termination.
36. As to the reasons for termination, the Chamber pointed out and that no justification was provided and that the Club had failed to demonstrate that the early termination of the Second Employment Contract took place as an ultima ratio measure. Therefore, it was concluded that the Second Employment Contract was terminated by the Club without just cause.
37. Regarding the consequences of the Club’s unjustified breach, the Chamber first considered the Assistant Coach’s request for outstanding remuneration. In this respect, it was found that on 24 January 2024, the Club paid the amount of 34,790 USD which, according to the relevant payment slip corresponded, inter alia, to the salary for September 2023 (6,000 USD) and the pro-rata salary for October 2023 (1,161 USD equivalent to 6 days) as well as the compensation for unilateral termination (12,000 USD).
38. As a consequence, the PSC decided that the Assistant Coach was still owed 544.22 EUR as reimbursement for the flight tickets which had remained outstanding. In addition, the Chamber awarded the claimant interest at the rate of 5% p.a. on the amounts corresponding to the salaries for September and October 2023.
39. Regarding the amount of compensation for breach of contract payable by the Club, the PSC turned its attention to the compensation clause contained in Article 6.4. of the Second Employment Contract and concluded that it satisfied the criteria of proportionality and reciprocity, in line with the longstanding jurisprudence of the PSC, and was therefore applicable to the present case to determine the amount of compensation.
40. Furthermore, the reasoning in the Appealed Decision adds the following:

“The above would have been sufficient to justify the application of the clause in question.

Nonetheless, the Chamber added, for the sake of completeness, that the employment relationship with parties shows a lengthy relationship, the Claimant concluded the second contract, following its first contract with a substantial increase on his salary and a change on his position, which denotes that there is a more balanced bargaining power of the parties”.
41. The PSC noted that the amount of two salaries (12,000 USD) corresponding to the liquidated damages clause were due to the claimant as compensation for breach of

contract without just cause, and that such amount had already been included in the payment made by the Club on 24 January 2024. Therefore the PSC concluded that the Assistant Coach was not entitled to any further amount as compensation for breach, but awarded the claimant interest on the compensation at a rate of 5% p.a. as from 6 October 2023 until 24 January 2024.

IV. PROCEEDINGS BEFORE THE COURT OF ARBITRATION FOR SPORT

42. On 5 July 2024, the Assistant Coach filed a Statement of Appeal with the Court of Arbitration for Sport (hereinafter: the “CAS”) in accordance with Article R48 of the Code of Sports-related Arbitration (2023 edition) (hereinafter: the “CAS Code”) against the Club with respect to the Appealed Decision. The Appellant chose English as the language of the arbitration and requested that the present case be submitted to a sole arbitrator. In addition, with his Statement of Appeal, the Assistant Coach submitted a Legal Aid Application to the Athletes’ Commission of the International Council of Arbitration for Sport “the “ICAS”).
43. On 10 July 2024, the CAS Court Office informed the Parties that on 5 July 2024, the Appellant had filed a Statement with the Court of Arbitration for Sport (the “CAS”) against the Respondent with respect to the Appealed Decision and that in light of the Appellant’s application for Legal Aid, the matter would not be initiated and the Respondent would not receive a copy of the Appellant’s Statement of Appeal before the Athletes’ Commission of the ICAS had decided on the Appellant’s Application for Legal Aid.
44. On 11 July 2024, the CAS Court Office informed the Parties that upon a respective request by the Appellant, the Appellant’s deadline to file the Appeal Brief had been suspended as of 10 July 2025 and pending a decision by the Athletes’ Commission of the ICAS or otherwise until further notification by the CAS Court Office.
45. On 7 October 2024, the Appellant requested a 30-day extension – i.e. until 5 November 2024 – of his time limit to file the Appeal Brief.
46. Also on 7 October 2024, the CAS Court Office noted the Appellant’s request for extension, informed the Parties that the Appellant’s time limit to file the Appeal Brief had resumed on 2 October 2024, the day of the notification to the Appellant of the Legal Aid Order, granted the Appellant a 10 extension of his time limit to file the Appeal Brief based on Article R32 of the CAS Code and consulted the Respondent regarding the remaining extension of time requested by the Appellant.
47. On 8 October 2024, the CAS Court Office, following the Respondent’s agreement, granted the Appellant’s remaining request for extension – i.e. until 5 November 2024 – of his time limit to file the Appeal Brief.
48. On 16 October 2024, the CAS Court Office notified the Statement of Appeal to the Parties and invited the Respondent to state whether it consented to the appointment of a sole arbitrator. The Parties were informed that in the absence of an answer by the

Respondent or in the event of a disagreement, it would be for the President of the CAS Appeals Arbitration Division, or her Deputy, to decide the issue in accordance with Article R50 para. 1 of the Code.

49. On 25 October 2024, the CAS Court Office informed the Parties that FIFA had renounced its right to request its possible intervention in the present arbitration proceedings.
50. On 28 October 2024, the Appellant requested the CAS Court Office a further extension of the time limit to file his Appeal Brief, which was granted by the CAS Court Office following the Respondent's agreement.
51. On 23 November 2024, the Appellant informed the CAS Court Office that the Parties had agreed that the deadline for the Appellant to file his Appeal Brief be extended until 15 February 2025, and to assign the proceedings to a sole arbitrator.
52. On 25 November 2024, the CAS Court Office acknowledged receipt of the Appellant's communication of 23 November 2024, and, amongst others, stated that unless any objection by the Respondent would be received by 28 November 2024, the proceedings would be submitted to a sole arbitrator, and the Appellant should file his Appeal Brief no later than 15 February 2025.
53. On 26 November 2024, the Respondent informed the CAS Court Office that it consented to the appointment of a sole arbitrator, and with the time-limit to file the Appeal Brief being extended to 15 February 2025.
54. From 12 February 2025 onwards, the Appellant requested the CAS Court Office further extensions of the time limit to file the Appeal Brief, which were granted based on the Respondent's agreement. The final deadline for the Appellant to file his Appeal Brief was finally set for 18 April 2025.
55. On 18 April 2025, the Appellant filed his Appeal Brief in accordance with Article R51 of the CAS Code and within the previously extended period of time.
56. On 29 April 2025, the Respondent requested the CAS Court Office a 30-day extension of the time limit to file its Answer, which, with the Appellant's agreement, was granted.
57. On 16 May 2025, the Respondent filed its Answer in accordance with Article R55 of the CAS Code.
58. On 19 May 2025, the Parties were invited to state whether they preferred a hearing to be held in the present matter, or for the Sole Arbitrator to issue an award based solely on the Parties' written submissions.
59. On 30 May 2025, the CAS Court Office informed the Parties, pursuant to Article R54 of the CAS Code and on behalf of the President of the CAS Appeals Arbitration Division, that the arbitral tribunal appointed to decide the present case was constituted as follows:

Sole Arbitrator: Mr Fabio Iudica, Attorney-at-Law in Milan, Italy.

60. On 26 June 2025, the CAS Court Office informed the Parties that the Sole Arbitrator, considering the Parties' positions regarding a hearing to be convened, had decided to hold a hearing in the present procedure.
61. On 16 July 2025, following consultations with the Parties, the CAS Court Office informed the Parties that a hearing in the present procedure had been scheduled for 23 October 2025, by videoconference.
62. On 16 October 2025, the CAS Court Office forwarded the Order of Procedure to the Parties which was returned to the CAS Court Office in duly signed copy by the Respondent on 17 October 2025 and by Appellant on 20 October 2025, without any reservation.
63. On 23 October 2025, a hearing took place in the present matter, by video-conference. In addition to the Sole Arbitrator and Ms Carolin Fischer, Counsel to the CAS, the following persons attended the hearing:

For the Appellant:

- Mr. Breno Costa Ramos Tannuri and Mr. Pedro Vasconcelos Botelho, legal counsels
- Mr. Demetrius Montanini, witness

For the Respondent:

- Mr. Ali Abbes, legal counsel.

64. At the outset of the hearing, the Parties confirmed that they had no objection to the constitution and appointment of the Sole Arbitrator, nor to the jurisdiction of the CAS.
65. In the opening statements, both the Appellant and the Respondent confirmed the arguments already presented in their respective written submissions.
66. Mr Demetirus Montanini, Agent of the Head Coach and the technical staff, called by the Appellant as a witness, was also heard and confirmed that he had negotiated the renewal of the relevant employment contracts on behalf of the Head Coach and the coaching staff. However, he stated he did not recall whether the liquidated damages clause had been specifically subject to negotiation between the Parties. In particular, in response to the Respondent's question, he stated that he did not recall receiving an e-mail from the Club on 23 June 2023 and following exchanges regarding the liquidated damages clause.
67. On the other hand, the Respondent insisted that extensive negotiations had taken place between the Club and the Agent on behalf of the Head Coach and technical staff, which had included the liquidated damages clause. In this respect, the Respondent requested the Sole Arbitrator to be authorized to submit additional evidence regarding email exchanges between the Club and the Agent concerning such negotiations.

68. Before the hearing was concluded, the Parties expressly stated that they did not have any objection to the procedure adopted by the Sole Arbitrator and that their rights to be heard and to be treated equally had been duly respected.
69. After the hearing was concluded, and also on 23 October 2025, the Respondent submitted new documentation attaching a copy of the correspondence exchanged between the Club and the Agent before the signing of the Second Employment Contract.
70. On 24 October 2025, on behalf of the Sole Arbitrator, the CAS Court Office invited the Appellant to file his comments on the documents submitted by the Respondent on 23 October 2025, by 31 October 2025.
71. On 30 October 2025, the Appellant requested the CAS Court Office a 7-day extension of the prescribed time limit to file his comments, which was granted.
72. On 10 November 2025, the Appellant submitted his comments, objecting to the admissibility of the Respondent's request to file new evidence.
73. On 13 November 2025, the CAS Court Office informed the Parties on behalf of the Sole Arbitrator that the decision on the admissibility of the documents filed by the Respondent following the hearing would be rendered in the final Award of this case.

V. SUBMISSIONS OF THE PARTIES

74. The following outline is a summary of the main positions of the Parties which the Sole Arbitrator considers relevant to decide the present dispute and does not comprise each and every contention put forward by the Parties. However, the Parties' written submissions, documentary evidence and the content of the Appealed Decision were all taken into consideration.

A. The Appellant's submissions and requests for relief

75. In his Appeal Brief, the Assistant Coach submitted the following request for relief:

“FIRST – To uphold the present appeal and set the Appealed Decision aside;

SECOND – To order the Club to pay to the Assistant Coach the total amount of USD 56,710 (fifty-six-thousand seven hundred ten US dollars) net as compensation for the unilateral and premature termination of the 2nd Employment Contract without just cause, plus default interest at the applicable rate of 5% (five percent) annually as from 6 October 2023 until the date of effective payment;

Subsidiarily, and only in the event that the above is rejected:

THIRD – To order the Club to pay to the Assistant Coach the total amount of USD 56,710 (fifty-six-thousand seven hundred ten US dollars) net as further compensation for the unilateral and premature termination of the 2nd Employment Contract without just cause (cf. Art. 162, par. 2 of the Swiss CO), plus default interest at the applicable

rate of 5% (five percent) annually as from 6 October 2023 until the date of effective payment;

Subsidiarily, and only in the event that the above is rejected:

FOURTH – To order the Club to pay to the Assistant Coach the total amount of USD 18,000 (eighteen thousand US dollars) net as compensation for the unilateral and premature termination of the 2nd Employment Contract without just cause, plus default interest at the applicable rate of 5% (five percent) annually as from 6 October 2023 until the date of effective payment;

At any rate:

FIFTH – To render the operative part of the final award within 4 (four) months as from the closure of the evidentiary proceedings (cf. Art. R59 of the CAS Code);

SIXTH – To order the Club to bear all costs associated with the present arbitration; and

SEVENTH – To order the Club to pay a contribution towards the legal fees, costs and expenses incurred by the Assistant Coach in an amount equal to at least CHF 10,000 (ten thousand Swiss francs)”.

76. The Assistant Coach’s appeal is based on the following arguments and legal submissions.

AS TO THE FACTUAL BACKGROUND

77. The present appeal has been filed in connection with the appeal filed by the Head Coach against the FIFA PSC decision in case no. FPSD-13147, involving a dispute between the Head Coach and the Club in relation to the unilateral termination of their employment contract arising from the same facts as those in dispute in the present matter.
78. The Second Employment Contract was terminated due to the Club’s unilateral decision to dismiss the Head Coach and the entire technical staff, including the Assistant Coach, on 5 October 2023 following the team’s defeat in the match against Damas FC.
79. On the same day, the agent representing the Head Coach and his entire coaching staff addressed a letter to the Club claiming payment of the outstanding remuneration and the applicable compensation for the unilateral termination of the employment contracts of all the coaching staff, without just cause, granting the Club a 48-hour deadline to make the relevant payments. Had the Club complied with the payment of the entire amount within the relevant time-limit, the Head Coach and all his staff would have agreed to sign an amicable settlement with the Club for the mutual termination of the relevant employment contract, including the Second Employment Contract.
80. However, the Club alleged that the employment relationship with the Head Coach and all the coaching staff, including the Second Employment Contract had been mutually

terminated by an alleged verbal agreement and also failed to make the relevant payment within the stipulated deadline. Furthermore, no termination agreement was ever reached.

81. In addition, on 20 October 2023, the Club officially announced the signing of a new head coach for his first team.
82. On 24 January 2024, the Club paid the Assistant Coach the total amount of 34,790 USD.
83. Since the FIFA PSC rejected the Assistant Coach's claim to set aside the liquidated damages clause set out in the Second Employment Contract, the Assistant Coach was left with no alternative but to lodge an appeal with the CAS in order to request compensation for breach of contract calculated in accordance with the applicable RSTP.

LEGAL ARGUMENTS

84. The PSC's reasoning for upholding the alleged validity of the "compensation clause" lacks any legal or factual basis within the applicable legal framework under which FIFA is established and must be dismissed.
85. In light of the leading principle of contractual stability, which is enshrined in FIFA regulations, the contractual autonomy of the relevant stakeholders (clubs, players, coaches) to regulate their own relationships regarding the consequences of a premature and unilateral termination is not unlimited.
86. In fact, parties must strictly abide by several mandatory principles under Swiss law.
87. The conclusion of the Appealed Decision that the "termination clause" in the Second Employment Contract is valid and binding insofar as it respects the principles of reciprocity and proportionality established by the long-standing jurisprudence of FIFA and CAS is incorrect and baseless. In fact, the PSC disregarded several other mandatory provisions within the FIFA regulatory framework, such as the maintenance of contractual stability, the fact that the Club terminated the Second Employment Contract without just cause and the timing of the breach, just a couple of months after the signing of the contract.
88. In addition, the Appealed Decision did not consider the fact that the reason for termination was the unsatisfactory sporting performance of the team during the first matches of the season as an aggravating element. In fact, it is well-known that this cannot constitute any valid reason for terminating an employment contract.
 - a) **As to the nature of the clause under Article 6.4. of the Second Employment Contract**
89. In order to establish the nature of the clause contained under Article 6.4, the principles of interpretation suggest to first examine its wording.
90. In this respect, any clause that provides for a certain amount of compensation payable in the event of a unilateral, premature termination without just cause will likely be a so-

called “liquidated damages clause”. This is a provision whereby the parties aim to establish beforehand the amount payable as “compensation”, rather than as a “penalty” for breach of contract.

91. In such direction, the term “damages clause” in Article 6.4. clearly confirms that the intention of the Parties was to pre-define the amount of compensation payable by the party in breach to the other party in the event of termination, in other words, to establish a liquidated damages clause, and not to punish the party in breach.
92. Article 6.4. is not a penalty clause under Article 160 of the Swiss Code of Obligations (the “SCO”), as it does not contain any “pressure function” that Swiss legal doctrine considers the key element of penalties, aimed at compelling the parties to fulfil their contractual obligations, otherwise the party in breach would have to pay a higher amount, exceeding the actual damage.
93. Since the wording in Article 6.4. is clear, there is no need for further interpretation, in accordance with the principle “*in claris non fit interpretatio*”.
94. Having established that the relevant provision contains a liquidated damages clause, it is necessary to clarify whether it fulfils the minimum conditions to be considered as valid and binding under the applicable legal framework, namely, under the mandatory provisions of Swiss law, which sets the boundaries of contractual freedom.
95. These include the prohibition of self-commitment in accordance with Article 27(2) SCO which provides that “*No person may surrender his or her freedom or restrict the use of it to a degree which violates the law or public morals*”.
96. On the other hand, the SCO dedicates special provisions to employment contracts (Article 319 et seq.) including imperative rules which cannot be derogated to the detriment of the employee, according to Article 362 SCO, such as Article 337c (1) which reads as follows:

“Where the employer dismisses the employee with immediate effect without good cause, the employee is entitled to damages in the amount he would have earned had the employment relationship ended after the required notice period or on expiry of its agreed duration”.
97. As a consequence, the parties to an employment contract may not agree on a “liquidated damages clause” whereby the employee would be entitled to an amount less than that established under Article 337c SCO and any contractual provision derogating this principle is therefore null and void, as it is confirmed by legal scholars as well as CAS jurisprudence (CAS 2020/A/6798; CAS 2017/A/5402; CAS 2017/A/5125; CAS 2015/A/4122).
98. In addition, Article 341(1) SCO provides that “*For the period of the employment relationship and for one month after its end, the employee may not waive claims arising from mandatory provisions of law or the mandatory provisions of a collective employment contract*”.

99. It is undisputed that Article 6.4. of the Second Employment Contract violates the mandatory provision established by Swiss law as the amount of compensation stipulated in the relevant clause (USD 12,000) represents no more than approximately 17% of the residual remuneration that the Assistant Coach would have earned under the contract until its natural expiry (USD 72,000).

100. In conclusion, the liquidated damages clause contained in the Second Employment Contract is null and void and the Assistant Coach is entitled to compensation in accordance with the criteria established by the FIFA RSTP.

b) As to the calculation of the compensation due by the Club

101. According to Article 6(2) of Annex 2 of the RSTP, the compensation for breach would amount to the residual value of the prematurely terminated contract, mitigated by the alternative remuneration (if any) that the Assistant Coach received under any employment contract signed after the termination, in the overlapping period.

102. Considering that the Club terminated the Second Employment Contract on 5 October 2023, and that the Assistant Coach has remained unemployed until the date of natural expiry of the employment relationship with the Club (30 June 2024), the amount of compensation payable by the Club would be equal to 72,000 USD.

103. However, given that the Club already paid to the Assistant Coach 3,290 USD corresponding to the pro rata value of the monthly salary for October 2023 and 12,000 USD corresponding to the liquidated damages under Article 6.4. of the Second Employment Contract, he is entitled to 56,710 USD as compensation balance according to the RSTP (72,000 USD – 3,290 USD – 12,000 = 56,710 USD).

c) Further considerations

104. Besides the above, even assuming that Article 6.4. of the Second Employment Contract could be deemed valid and binding, the liquidated damages clause stipulated by the Parties is not even reciprocal nor proportionate, although it must be clarified that both FIFA Regulations and the CAS agree that the validity of “liquidated damages clauses” is not subject to its reciprocity but instead to the appropriateness of its content.

105. Therefore, if a liquidated damages clause is more favourable to one of the parties or gives it undue control over the maintenance of the employment relationship, such provision is incompatible with the principle of contractual stability and, as such, shall be disregarded in the calculation of compensation for breach of contract.

106. In the present case, the compensation clause under Article 6.4. is clearly disproportionate as compared to the residual value of the Second Employment Contract, besides the fact that *“it gives the Club the ability to exert undue control over their employment relationship, encouraging it to unilaterally terminate the 2nd Employment Contract without just cause by stipulating a compensation as insignificant as only 2 (two) monthly salaries”*.

107. The application of the relevant clause would have the following effect: the sooner the Club breached the contract in the season, the more money it would be able to save, as it did in the present case, having saved 60,000 USD (72,000 USD – 12,000 USD) net out of the residual value of the contract. At the same time, conversely, the Assistant Coach, who does not enjoy the same financial and bargaining power, would not benefit from such an early termination, as he would lack the necessary financial resources to pay compensation to the Club amounting to 2 salaries, having received only a few salary payments by the Club.
108. Therefore, it is clear that Article 6.4. had the only purpose to provide the Club with an easy and cheap way to get rid of the Assistant Coach, while virtually not granting him the same possibility.
109. In this respect, Article 6.4. disproportionately favours the Club and is inconsistent with the general principle of contractual stability (CAS 2016/A/4875).
110. In line with the above, Article 6.4. of the Second Employment Contract is null and void not only because it failed to respect the compulsory elements determined by Swiss law but also because the fundamental requirements of proportionality and appropriateness are not complied with.

d) Further compensation

111. Furthermore, it is common knowledge in football that coaches find it more difficult than players to secure new employment. What is more, the damages suffered by the Assistant Coach were clearly much higher than the 2-month salary compensation given that he remained unemployed for more than eight months, therefore the liquidated damages clause was not proportionate.
112. Therefore, assuming but not admitting that Article 6.4. contains a penalty clause, the Assistant Coach would be entitled to claim further compensation based on the provision of Article 161(2) SCO in order to rectify the unfairness resulting from the Appealed Decision. This would take into account the residual remuneration that the Assistant Coach was deprived of during the period in which he remained unemployed, minus the amounts paid by the Club after termination, resulting in a total amount of 56,710 USD.

e) Specificity of sport

113. On a subsidiary basis, the Assistant Coach requests to be granted an amount of at least 18,000 USD, which corresponds to the signing fee which had been payable under the Second Employment Contract on 1 November 2023. This sum was originally meant to be paid by 10 August 2023 - in line with the deadline set out in the First Employment Contract for the payment of the signing fee of 6,000 USD - but the Assistant Coach finally accepted the Club's request to postpone the relevant payment due to some financial issues that the Club was facing at the time.
114. In any event, although the Second Employment Contract refers to it as an "advance payment", the signing fee provided under Article 3.1. of the Second Employment

Contract must be considered as an extra payment or a sort of financial reward in order to compensate the fact that the Assistant Coach had decided to renew the term of the First Employment Contract. Conversely, an “advance payment” constitutes part of the fixed remuneration, which is paid in advance as down payment as a sort of guarantee against the risk that clubs may not honour their financial obligations, which is not the present case.

115. In this respect, and in light of the principle of the “specificity of sport”, and on a subsidiary basis, it would be unfair not to award the Assistant Coach, a compensation equivalent to at least the stipulated value of the signing fee, i.e. 18,000 USD net.

f) Interests

116. Finally, the applicable statutory default interest shall accrue on any compensation amount to be decided by the Sole Arbitrator as from the date on which the Club unilaterally terminated the Second Employment Contract, in accordance with the provision of Article 339(1) of the SCO. This is confirmed by Swiss jurisprudence and doctrine according to which, in case of claim for compensation for premature, unjustified termination of an employment contract, default interest shall start to accrue immediately, i.e. as of the termination thereof, without requiring any further reminder.

B. The Respondent’s submissions and requests for relief

117. In its Answer, the Club submitted the following requests for relief:

- *“Dismiss the appeal.*
- *Condemn the respondent [rectius, the Appellant] to pay 5000 CHF as attorney’s fees and costs.*
- *The appellant shall bear all CAS costs”.*

118. The following is a summary of the Respondent’s arguments.

AS TO THE FACTUAL BACKGROUND

a) The early termination of the Second Employment Contract was agreed between the Parties

119. Due to poor results and the strained relationship between the technical staff and the players, the Club and the Head Coach had reached a verbal agreement to amicably terminate the contractual relationship between the Club and the entire coaching staff.
120. Despite the agreement to early terminate the contract, there was disagreement on the payment conditions because the Club had proposed an instalment payment plan. Consequently, no written agreement was ever concluded.
121. The Club had drawn up a termination agreement and forwarded it to the Head Coach “*who was negotiating in lieu of the technical staff members*”. The Head Coach had

initially promised to sign it but then suddenly changed his mind, ultimately withdrawing from the negotiations with no valid reason.

122. Therefore, the Club had no other option than to unilaterally terminate the relationship with the entire coaching staff, including the Assistant Coach.
123. Although the Respondent is aware of the fact that neither the CAS nor FIFA consider poor sporting results to be a just cause for terminating an employment contract, this was the reason that prompted the Head Coach and the President of the Club to verbally agree on the early termination of the employment contracts with the staff members, together with the difficulties in the relationship between the Head Coach and the players.
124. In fact, relations between the players and the technical staff deteriorated during the contractual period resulting in many defeats on the field.
125. Consequently, the Head Coach and the President of the Club met in order to discuss mutual termination. In this context, the Head Coach was also negotiating on behalf of his staff. Ultimately, the parties reached an agreement whereby the Club would pay all the outstanding salaries and liquidated damages to all the staff members, in accordance with the relevant contractual clauses. The Head Coach had accepted the proposed payment schedule and agreed to sign the draft of the agreement, as it appears from a WhatsApp conversation with the CEO. However, he suddenly changed his position and left the Club without any prior notice.
126. At that point, the Club had no other option than to terminate the contractual relationship with the Assistant Coach unilaterally in order not to compromise the sporting season.
127. As a matter of fact, the termination was not unilateral but mutually agreed between the Parties.

b) As to compensation

128. Article 6.4. of the Second Employment Contract sets out the precise amount payable as compensation in the event of premature termination, whether with or without just cause, which, in the present case is equal to 12,000 USD corresponding to two salaries.
129. The clause was widely discussed between the Parties. It is a conventional liquidated damage clause according to Swiss law and CAS jurisprudence and provides the only criteria to determine compensation arising from the termination without just cause in the present case. Furthermore, Article 6.4. is in line with the provisions of Article 163(1) of the SCO which states that “*The parties are free to determine the amount of the contractual penalty*” and reflects what was the common intention of the Parties, irrespective of the formulation or designation attributed to the clause, in accordance with Article 18(1) of the SCO.
130. The same liquidated damages clause was also agreed by the Parties under the First Employment Contract, and the Assistant Coach never contested the amount stipulated therein. On the contrary, he agreed to include the same provision in the Second

Employment Contract so he cannot now claim that the relevant amount was disproportionate or unfair.

131. There is no doubt that the liquidated damages clause is equilibrated and balanced providing the Parties the same amount of compensation in case of premature termination or breach of contract. As a consequence, it must be fully applied according to the principle of *pacta sunt servanda* and the provision of Article 160.1 and Article 163 of the SCO.
132. In this respect, the PSC correctly deemed the liquidated damages clause in Article 6.4 to be reciprocal and proportionate. FIFA's position is also in line with the principle set out in Article 6, Annex 2 of the RSTP which allows parties to a contract to agree on a fixed compensation in case of termination of their contract. Moreover, the clause was drafted in the interests of both Parties, not just the Club, and the Assistant Coach himself could terminate the contract at any time and freely sign with another club having to pay compensation in the amount of only two salaries.
133. The principle of contractual freedom in determining the amount of compensation is enshrined in the jurisprudence of the Swiss Federal Court (SFT 4C.5/2003;114 II 264; 103 II 135) and finds its origin in the principle of *pacta sunt servanda*, also known as "*sanctity of contract*" which is also confirmed by CAS jurisprudence.
134. CAS generally acknowledges that the parties are free to include such clauses in their agreements, both according to Article 17(1) of the RSTP as well as to Article 160 of the SCO (CAS 2015/A/3999).
135. Besides this, many CAS decisions have even deemed unbalanced damage clauses to be valid (CAS 2013/A/3411) so, *a fortiori*, the balanced clause in the Second Employment Contract must also be considered valid and must be enforced.
136. Furthermore, in a recent CAS case, which is identical to the present one, the sole arbitrator has considered the liquidated damages clause corresponding to two salaries to be valid and proportionate: "*The Sole Arbitrator shares the view, expressed in the award CAS 2023/A/9756, that the potential disproportion shall not be assessed only by comparing the amount of the liquidated damages clauses agreed between the parties with the residual value of the employment agreement (as the Appealed Decision did), but also by considering other factors such as the positions of the parties to the contract in question, their bargaining power, their degree of knowledge of the clause and its effects or the balance of the clause*" (CAS 2024/A/10289).

c) As to the Appellant's subsidiary request of 18,000 USD

137. This is a new request that was not discussed in the FIFA proceedings and is therefore inadmissible. In any case, the relevant amount forms part of the residual value of the Second Employment Contract and therefore cannot be used to calculate the compensation, given the existence of the compensation clause agreed between the Parties which has been already paid by the Club.

VI. JURISDICTION

138. 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”.

139. The Appellant relied on Article 50 of the FIFA Statutes 2024 edition as conferring jurisdiction to the CAS.

140. The Respondent did not dispute that CAS has jurisdiction in the present case.

141. The jurisdiction of the CAS was further confirmed by the signature of the Order of Procedure and at the hearing by both Parties.

142. Accordingly, the CAS has jurisdiction to hear the present case.

VII. ADMISSIBILITY

143. Article R49 of the CAS Code provides the following:

“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”.

144. According to Article 50 of the FIFA Statutes, *“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”.*

145. The Sole Arbitrator notes that the Appealed Decision was rendered on 23 April 2024 and that the grounds of the Appealed Decision were notified to the Parties on 14 June 2024.

146. Considering that the Appellant filed his Statement of Appeal on 5 July 2024, i.e., within the deadline of 21 days set in the FIFA Statutes, the Sole Arbitrator is satisfied that the present appeal was filed timely.

147. Moreover, the Respondent did not contest the admissibility of the Appeal.

148. Furthermore, the appeal complied with all other requirements of Article R48 of the CAS Code and is thus admissible.

VIII. APPLICABLE LAW

149. Article R58 of the CAS 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 that the Panel deems appropriate. In the latter case, the Panel shall give reasons for its decision”.

150. According to Article 49(2) of the FIFA Statutes, *“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”.*

151. The Parties relied on the application of the relevant FIFA Regulations, namely the FIFA RSTP, February 2024 edition, and, subsidiarily, Swiss law.

152. In consideration of the above and in accordance with the wording of Article R58 of the CAS Code, the Sole Arbitrator holds that the present dispute shall be decided principally according to the FIFA RSTP, May 2023 edition, with Swiss law applying subsidiarily.

IX. MERITS

A. Preliminary issue

153. Before entering into the merits of the case, there is a preliminary issue to be resolved first regarding the admissibility of the documentation filed by the Respondent on 23 October 2025.

154. In fact, during the hearing, the Respondent requested to file additional documentation in relation to the Parties’ discussion about whether the liquidated damages clause under Article 6.4. had been negotiated between them before the Second Employment Contract was signed. Precisely, the relevant documentation pertains to an e-mail exchange between the Club and the Head Coach’s agent (the “Agent”) regarding the renewal of the employment contracts of the Head Coach and its technical staff, including the Assistant Coach, for the sporting season 2023/2024.

155. However, based on Article R56 of the CAS Code, the Appellant objected to Respondent’s request to submit new evidence after the hearing, arguing that there are no exceptional circumstances in the present case to depart from the rule that no further submission shall be admitted after the filing of the appeal brief and the answer: *“In this regard, the Appellant strongly objects to such a groundless and belated request, inasmuch as it has been submitted at a blatantly inopportune procedural juncture vis-a-vis the current stage of these appeal proceedings, namely after (i) the filing of both the Appeal Brief and the Answer, and (ii) a hearing has been held ...”.*

156. The Sole Arbitrator considers the Club's request to produce new documentation to be justified by the statements made by the Appellant for the first time at the hearing; specifically, during the hearing, for the first time, the Appellant argued that the liquidated damages clause in dispute had not been the subject of negotiation between the Parties.
157. Therefore, since the Appellant in fact raised a new argument at the hearing that was not put forward either in the Statement of Appeal or in the Appeal Brief, the Sole Arbitrator deems that the Respondent's request to submit new documents in order to rebut the new allegations by the Appellant can be granted. Therefore, the new documents submitted by the Respondent on 23 October 2025 are admitted to the file.
158. For the sake of completeness, the Sole Arbitrator notes that - as is explained below - the documents admitted to the case file are not relevant to the Sole Arbitrator's overall decision.

B. The merits of the case

159. The present dispute revolves around the circumstances surrounding the termination of the Second Employment Contract. In particular, the Parties disagree about whether the contract was terminated by mutual agreement or by the Club's unilateral decision and about the consequences of the early termination. The appeal was brought by the Assistant Coach in order to set aside the Appealed Decision, reject the validity of the liquidated damages clause under Article 6.4. of the Second Employment Contract and claim for further compensation in the amount of 56,710 USD, plus default interest as from 5 October 2023 until effective payment.
160. As to the circumstances of the termination, according to the Appellant, the Club terminated the contract unilaterally and without just cause on 5 October 2023, as a direct consequence of the Club's decision to dismiss the Head Coach, on the basis of the team's poor performance following the team's defeat against Damas FC.
161. On the other hand, according to the Respondent, the Parties had mutually agreed to early terminate the Second Employment Contract, by verbal agreement between the President of the Club and the Head Coach also on behalf of all the members of his technical staff. The Respondent contends that such a mutual agreement was reached due to unsatisfactory sporting results and because of some issues in the relationship between the coaching staff and the players. The Respondent also claims that the Head Coach ultimately refused to sign the written draft of the amicable termination agreement proposed by the Club for no apparent reason. Therefore, the Respondent argues that although the termination of the Second Employment Contract was formally decided by the Club, the grounds for termination are to be found in the underlying agreement between the Club and the Head Coach on behalf of the entire coaching staff. However, the Assistant Coach denies that there was any agreement whether written or oral with the Club in this respect.
162. The Sole Arbitrator observes that the first issue in dispute is whether the Parties had agreed on the early termination of their employment relationship as maintained by the

Club or whether it was unilaterally terminated by the latter without just cause, as contended by the Appellant.

163. In this respect, the Sole Arbitrator notes that the Club failed to provide any evidence that an agreement had been reached between the Club's President and the Head Coach in order to terminate the employment relationship between the Club and all the coaching staff, including the Assistant Coach. Furthermore, the Club also failed to prove that the Head Coach had allegedly negotiated the relevant termination on behalf of all its technical staff. Regarding the WhatsApp correspondence excerpt submitted by the Respondent with its Answer, the Sole Arbitrator does not consider it to provide adequate proof of an agreement between the Parties to terminate their employment relationship
164. Consequently, the Sole Arbitrator shares the findings of the PSC that the Second Employment Contract was unilaterally terminated by the Club.
165. With regard to the date of termination, the Sole Arbitrator notes that in the Appealed Decision it is assumed that it corresponds to the date on which the Head Coach and the entire coaching staff were allegedly dismissed by the Club following the loss against Damas FC, i.e. on 5 October 2023 (see the calculation of the pro rata salary for October 2023 at para. 81 of the Appealed Decision for reference). This also seems to be confirmed by the date on which the PSC started calculating interests on the amounts corresponding to the pro rata salary for October 2023 and the liquidated damages (6 October 2023).
166. However, the Sole Arbitrator notes that the Club's letter to the Assistant Coach notifying the termination of the Second Employment Contract (see Respondent's Exhibit #3) when referring to the outstanding amount due at the time of termination, clearly indicates the amount of 3,290 USD as the pro rata salary of October 2023, which corresponds to 17 working days ($6,000 \text{ USD} : 31 \times 17 = 3,290 \text{ USD}$). This amount was included in the overall payment made by the Club on 24 January 2024, which the Appellant acknowledged as the pro-rata monthly salary for October 2023 (see Appeal Brief, para. 125).
167. Therefore, the Sole Arbitrator finds it more accurate to conclude that the Second Employment Contract was officially terminated on 17 October 2023.
168. Turning to the reasons for termination, the Sole Arbitrator notes that the Respondent offered no justification other than the team's unsatisfactory performance. Having established that there is no evidence of an agreement between the Parties, or between the Club and the Head Coach, to prematurely terminate the contract for such reasons, or, indeed, for any other reasons, the Sole Arbitrator upholds the PSC's findings that the Second Employment Contract was unilaterally terminated by the Club without just cause.
169. According to CAS case law, as a general rule, parties to an employment contract may decide to include in the contract a list of conducts which, in advance, they consider to constitute just cause for the early termination of their contractual relationship. While poor performance is not considered to be a just cause for termination, previous CAS

panels have admitted, in principle and on a case-by-case basis, that the parties may specifically agree in their contract that poor results may allow the club to terminate the contract, provided that a respective clause is clearly defined and not merely potestative (CAS 2020/A/6798; CAS 2016/A/4846; CAS 2017/A/5402). As there was no such clause in the Second Employment Contract, the Club had no just cause (even in principle) to terminate the relationship with the Assistant Coach.

170. In addition, the Sole Arbitrator observes that the Respondent itself acknowledges that poor sporting results do not constitute a just cause for termination: “*We are aware of the FIFA and CAS jurisprudence regarding the poor results as a just cause of terminate the contract and we are conscious that it is not considered as a just cause to terminate the contract*” (see Answer para. 17).
171. As to the consequences of the Club’s breach of contract, the Sole Arbitrator recalls that Article 6 of Annex 2 of the RSTP provides that the party in breach shall pay compensation and, in this respect, it gives priority to the parties’ autonomy in determining the amount of compensation. In fact, this provision sets out the criteria for calculating the compensation due, “*unless otherwise provided for in the contract*”, meaning that the parties are in principle free to stipulate a so-called liquidated damages clause in order to determine in advance the amount of compensation payable by a party to the other party in case of breach of contract.
172. In this regard, the Sole Arbitrator emphasizes that the Parties agree that Article 6.4. of the Second Employment Agreement contains a liquidated damages clause for the purpose of Article 6 of Annex 2 of the RSTP.
173. Furthermore, it is undisputed that, after termination of the Second Employment Contract, the Respondent remitted a total amount of 34,790 USD to the Appellant, which includes, *inter alia*, the amount foreseen under Article 6.4. of the Second Employment Contract as “damage clause”, corresponding to two salaries (i.e., 12,000 USD).
174. The Respondent relies on Article 6.4. to exclude that the Assistant Coach is entitled to any further compensation in excess of 12,000 USD, while the Appellant argues that first, Article 6.4. had not been specifically negotiated between the Parties and second must be considered null and void as it contravenes mandatory provisions under Swiss law and the FIFA legal framework. Therefore, the Appellant claims that he is entitled to compensation in accordance with the criteria set forth in Article 6(2) of Annex 2 of the RSTP and with Swiss law.
175. As regards the question of whether the inclusion and the wording of the liquidated damages clause had been specifically negotiated between the Parties, the Sole Arbitrator considers this issue irrelevant for deciding the present case, for the following reasons.
176. To start with, the Sole Arbitrator finds that, despite the wording of Article 6.4. potentially being confusing (in fact the word “can” in the expression “*Each party can terminate the contract before its term*” seems to contradict with the principle of “compensation” or “damage” which is connected with a breach), the relevant provision

corresponds to a liquidated damage clause, having the function to pre-define the financial consequences of a breach. This is confirmed by the fact that the payment obligation relates to the event of an early termination “without just cause” (i.e., a breach), and by the wording “damage clause”. The word “damage”, in fact, implies the commission of some kind of contractual breach and is therefore compatible with the function of a liquidated damages clause (CAS 2019/A/6337). This is further corroborated by the acknowledgement of the Parties in this respect, which is a clear sign of their shared intention when stipulating the clause (see CAS 2016/A/4550, CAS 2013/A/3411).

177. Having confirmed the nature of Article 6.4., the next issue to be resolved is whether the relevant clause is valid and binding and therefore, whether the Club already fulfilled its obligation to pay compensation to the Assistant Coach as a consequence of the early termination without just cause.
178. In principle, a provision which sets an amount of “damages” to be paid “if” the contract is breached, appears to perform a function (the determination of the amount that a party has to pay to the other as damages in the event of breach of contract) which is perfectly consistent with Swiss law.
179. Incidentally, the Sole Arbitrator notes that, apparently different from the longstanding jurisprudence of the PSC (see Appealed Decision paras. 88, 89), Swiss law does not require compensation clauses (or penalty clauses) to be “reciprocal” in order to be valid (see also CAS 2017/A/5242). Irrespective of that question, reciprocity is not sufficient itself to hold a compensation clause or a penalty clause valid or applicable, without other considerations.
180. Although Article 6 of Annex 2 of the RSTP (similar to Article 17 which applies to players) does not indicate whether there are limits to the parties’ contractual autonomy to stipulate such liquidated damages clauses, the Sole Arbitrator recalls that, as a general principle, contractual clauses must respect mandatory provisions, whether under the RSTP or the applicable law.
181. In this regard, the Second Employment Contract is subject to Swiss employment law, i.e. Article 319 para. 1 et seq. of the SCO which is applicable to the present dispute.
182. More specifically, Article 337c SCO provides the following with regard to the termination of employment by the employer without just cause: (free translation)

¹ Where the employer dismisses the employee with immediate effect without good cause, the employee is entitled to damages in the amount he would have earned had the employment relationship ended after the required notice period or on expiry of its agreed duration.

² Such damages are reduced by any amount that the employee saved as a result of the termination of the employment relationship or that he earned by performing other work or would have earned had he not intentionally foregone such work.

³ *The court may order the employer to pay the employee an amount of compensation determined at the court's discretion taking due account of all circumstances; however, compensation may not exceed the equivalent of six months' salary for the employee.*

183. Para 1 of this provision enshrines the principle that damages should be calculated based on the principle of positive interest, under which compensation for breach must be aimed at reinstating the injured party to the position it would have been in, had the contract been fulfilled properly and to its end. This is also the principle governing the provision of Article 6(2) a, Annex 2 of the RSTP according to which “in case the coach did not sign any new contract following the termination of their previous contract, as a general rule, the compensation shall be equal to the residual value of the contract that was prematurely terminated”.
184. The Sole Arbitrator points out that based on Article 362(1) of the SCO, Article 337c (1) (consequences of termination without just cause) is binding and mandatory and, therefore, it is not permissible to derogate to the detriment of the employee by an individual agreement, standard employment contract or collective employment contract.
185. In view of the foregoing, the fact that the Parties may have negotiated the specific content of the liquidated damages clause, or enjoyed the same bargaining power - as assumed by the PSC in the Appealed Decision - is irrelevant to the purpose of derogating from the provision of Article 337 c para 1 of the SCO.
186. According to CAS jurisprudence “*The mandatory character given to Article 337c para. 1 CO means that an employee cannot validly waive his claim of compensation in case an employer terminates the employment contract without just cause as far as the compensation agreed on in the employment contract is lower than the residual value of such contract*” (CAS 2020/A/6798).
187. The Sole Arbitrator considers that Article 6.4. – or, more precisely, its application to the present case – is not in accordance with the legal framework of Article 337c SCO, which is, as said, a mandatory rule according to Article 362 (1) SCO.
188. In fact, at the time when the Second Employment Contract was terminated (17 October 2023), the residual value of the contract (i.e. the amount the Assistant Coach would have earned until the agreed expiry date) amounted to more than two monthly salaries which was the compensation predetermined by the Parties under the liquidated damages clause, considering that the contract was due to expire on 30 June 2024.
189. Consequently, due to the mandatory nature of Article 337c (1) SCO, the liquidated damages clause under Article 6.4. of the Second Employment Contract shall be deemed null and void, as, in principle, also confirmed by CAS jurisprudence:

“According to Article 341 para. 1 CO, an employee may not waive claims arising from mandatory provisions of law or mandatory provisions of a collective employment contract during the period of the employment relationship and for one month after its end. The provision of Article 337(c) CO regarding the employee's claims for financial compensation in case of unilateral termination of an employment contract without just

cause by the employer is such a mandatory provision, as explicitly stipulated in Article 362 CO. In this regard, an amount of compensation payable under the employment contract that falls a long way short of the amount of compensation according to the criteria set out in Article 337 (c) para. 1 CO derogates substantially from the mandatory provision of Article 337 (c) para. 1 CO to the detriment of the employee. The relevant provision of the employment contract, which effectively restricts the compensation entitlements of the coach to two monthly salaries for the first year and a fraction of his remuneration for the second year, entails a renouncement of his claims under Article 337 (c) para. 1 CO, in a way incompatible with Article 341 para. 1 CO. Therefore, said provision is null and void and cannot be applied to determine the appropriate measure of compensation” (CAS 2017/A/5125, see also CAS 2015/A/4122).

190. Similarly, in another CAS case, where the relevant liquidated damages clause was stipulated in the employment contract between a club and a player, the sole arbitrator denied its validity based on the following reasoning: *“Article 337c para. 1 of the SCO therefore forms the legal boundary within which the Parties have to stay when deviating from Article 17 para. 1 of the FIFA RSTP. Accordingly, a clause in the employment contract that sets the compensation due to a player in case of termination by the club to less than what the player would have received for the rest of the contractual period is void, as it breaches the mandatory and binding Article 337 c para. 1 of the SCO”* (CAS 2020/A/6961, recital no 3 of the version published on the CAS website).
191. Therefore, the Appellant’s claim to be awarded compensation for breach in accordance with Article 6(2) a of Annex 2 RSTP and Article 337c (1) SCO must be upheld.
192. In calculating the residual value of the Second Employment Contract, the following figures must be considered:
 - 2.710 USD as the salary balance for October 2023 (6,000 USD – 3,290 USD)
 - 48,000 USD as 8 residual monthly salaries from November 2023 until 30 June 2024 (USD 6,000 x 8);
 - 18,000 USD as advance payment,

corresponding to a total residual amount of USD 68,710.

193. Given that it is undisputed that the Club has already paid to the Appellant 12,000 USD as compensation for breach in accordance with Article 6.4. of the Second Employment Contract, the Sole Arbitrator agrees that the Appellant is still entitled to receive the requested balance of 56,710 USD.
194. In addition, based on Article 339 (1) SCO, which is also mandatory according to Article 361 SCO, the Sole Arbitrator finds that interest shall also accrue on the relevant amount as from 18 October 2023 until the date of effective payment.

195. Incidentally and for the sake of accuracy, the Sole Arbitrator notes that, in his Appeal Brief, the Appellant submitted the request *“To uphold the present appeal and set aside the Appealed Decision”*, without any reservation, followed by the request to *“order the Club to pay to the Assistant Coach the total amount of USD 56,710 net as compensation...”*. The Sole Arbitrator notes that by requesting the annulment of the Appealed Decision in its entirety, and by limiting the request for payment to the compensation for breach in the amount of USD 56,710, the Appellant has also implicitly waived what the PSC granted to him under point 4. of the Appealed Decision.
196. The Sole Arbitrator recalls that under the principle of *ne ultra petita*, he is bound to the limits of the parties’ requests for relief and is not allowed to go beyond the claims submitted (see CAS 2017/A/5339; CAS 2021/A/8334): *“In this context, the Panel observes that, without prejudice to the provision of article R57 of the CAS Code, which confers the CAS the full power to review the facts and the law of the case, the Panel is nonetheless bound to the limits of the parties’ motions, since the arbitral nature of the proceedings obliges the Panel to decide all claims submitted by the Parties and, at the same time, prevents the Panel from granting more than the parties are asking by submitting their requests for relief to the CAS, according to the principle of ne ultra petita”* (CAS 2016/A/4384).
197. Based on the same principle, another CAS panel has stated the following: *“A CAS panel must adhere to the specific parameters of the party’s request for relief and is unable to substitute an alternative relief irrespective of whether it would be correct based on the evidence before the CAS panel. It is not the CAS panel’s job to argue a party’s case for it, or to make good a failure of a party to argue a particular point or make a certain request, irrespective of whether the point or request could be well made out and would find favour with a CAS panel. The arbitral nature of the proceedings obliges the CAS panel to decide all claims submitted by the parties and, at the same time, prevents the panel from granting more than the parties are asking by submitting their requests for relief to the CAS, according to the principle of ne ultra petita”* (CAS 2020/A/6916).
198. Consequently, the Sole Arbitrator is bound to the Appellant’s request to set aside the Appealed Decision in its entirety and to replace it with a new decision that grants the Appellant the requested amount of compensation.

X. CONCLUSION

199. In view of all the foregoing, the Appellant’s main request for relief is upheld and the Appealed Decision is set aside.
200. The Respondent must pay to the Appellant 56,710 USD (fifty-six thousand seven hundred ten/00 USD) as the balance of compensation for breach of contract committed by the Club, plus 5% (five percent) interest p.a. as from 18 October 2023 until the date of effective payment.
201. Any further claims or requests for relief are dismissed.

XI. COSTS

(...)

* * * * *

ON THESE GROUNDS

The Court of Arbitration for Sport rules that:

1. The Appeal filed by Miguel Fernando Dias Pinto against Al-Hazem Sport Club on 5 July 2024 concerning the Decision issued on 23 April 2024 by the FIFA Players' Status Chamber is upheld.
2. The Decision issued on 23 April 2024 by the FIFA Players' Status Chamber is set aside and replaced as follows:

“The Respondent, Al Hazem Sport Club, must pay to the Claimant the following amount:

USD 56,710 (fifty-six thousand seven hundred ten/00 USD) as the balance of compensation for breach of contract committed by the Club, plus 5% (five percent) interest p.a. as from 18 October 2023 until the date of effective payment.
3. (...).
4. (...).
5. All other motions or requests for relief are dismissed.

Seat of arbitration: Lausanne, Switzerland

Date: 6 March 2026

THE COURT OF ARBITRATION FOR SPORT

Fabio Iudica
Sole Arbitrator