



TAS / CAS

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

CAS 2024/A/11019 Antonio Filipe de Sousa Gouveia 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

Antonio Filipe de Sousa Gouveia, 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 Antonio Filipe de Sousa Gouveia, against the decision rendered by the Single Judge of the Players' Status Chamber of the FIFA Football Tribunal (also referred to as the or the "PSC") on 27 August 2024 regarding an employment-related dispute with Al-Hazem Sport Club (the "Appealed Decision").

II. THE PARTIES

2. Mr Antonio Filipe de Sousa Gouveia (the "Appellant" or the "Coach") is a professional football 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 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, the Coach signed an employment contract with the Club valid as from 1 July 2022 until 30 June 2023 under which he was hired as the Head of 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 Coach was entitled to a total remuneration of 250,000 USD, plus bonus and other benefits as follows:

"3.1: Total Contract Value is (250,000.00 USD) (two hundred and fifty thousand dollars NET) as follows:

- (16,667 USD) (sixteen thousand and six hundred sixty-seven dollars) as a monthly salary paid at the end of month.

- (50,000 USD) as an advance payment will be paid in [sic] 01 Aug 2022.

3.2. Accommodation: The Club shall provide.

3.3. Automobile: The Club shall provide a suitable car.

- 3.4. Air Tickets:** *Two round-trip for the Coach and one round-trip for his family (wife and daughter).*
- 3.5. Insurance.** *The club shall provide a medical Insurance.*
- 3.5. Win Bonuses: (150%)** *win bonuses according to the club's bonus regulations.*
- 3.6. Bonus: (75.000 USD NET) (Seventy-five thousand dollars net)** *If the club (Al Hazem SC) [sic] promoted to the pro league”.*
8. On 6 June 2023, the Parties renewed their employment relationship by signing a new employment contract valid as from 1 July 2023 until 30 June 2024 (the “Second Employment Contract”), for a total value of 600,000 USD.
9. The Second Employment Contract set out the following financial terms:
- “3.1: Total Contract Value is (600,000.00 USD) (six hundred thousand dollars NET) as follows:**
- *(100.000 USD) as an advance payment paid on 01-11-2023.*
 - *(500.000 USD) which will be equally distributed on twelve (12) months as a monthly salary of 41,667.00 USD paid at the end of every Gregorian month.*
- 3.2. Accommodation:** *The Club shall provide.*
- 3.3. Automobile:** *The Club shall provide a suitable car.*
- 3.4. Air Tickets:** *(3) three round-trip for the coach and (2) two round-trip for his family.*
- 3.5. Insurance.** *The club shall provide a medical Insurance.*
- 3.5. [sic] Win Bonuses: (150%)** *win bonuses according to the club's bonus regulations.*
- 3.6. BONUS:**
- *(100.000 USD NET) (one hundred thousand dollars net) If the club (Al Hazem SC) finished the pro league in one of the 5th positions.*
 - *(200,000 USD NET) (two hundred thousand dollars net) If the club (Al Hazem SC) achieved the Saudi king's cup.*
 - *(75.000 USD NET) (seventy-five thousand dollars net) If the club (Al Hazem SC) achieved the Saudi super cup.*
 - *(100.000 USD NET) (two hundred and fifty thousand dollars net) If the club (Al Hazem SC) remains in the Saudi pro league for season 2024-25”.*
10. Both the First and the Second Employment Contract stipulated the terms for amending or terminating the relevant employment relationship as follows:

As to the First Employment Contract:

“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”.

As to the Second Employment Contract:

“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 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 as following:

6.4.1. If any party terminate [sic] the contract before finish [sic] the first half of the season must to [sic] pay (4) four salaries as damage clause for the other party.

6.4.2. If any party terminate [sic] the contract after finish [sic] the second half of the season must to [sic] pay (2) two salaries as damage clause for the other party”.

11. 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.
12. According to the Coach, on 5 October 2023, following the Club’s 4-1 loss to Damas FC, the Club orally terminated the Second Employment Contract, as well as those of its technical staff.
13. On 9 October 2023, the 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”.

14. On 10 October 2023, the Club sent a letter to the 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”.*
15. On 13 October 2023, the Club sent the Coach a further letter referring to the alleged mutual termination of the Second Employment Contract and attached a draft settlement agreement. The relevant letter reads as follows:

“Firstly, we remind you that since the last defeat of the team in the last match of the Pro league, we have agreed to terminate the contract amicably and consequently the club drafted a settlement agreement (attached the settlement agreement). For one week you continually escaped the signature of the settlement agreement arguing that the club must pay an important amount within 48 hours.

Today, as discussed by WhatsApp, the CEO has waited for your arrival to the club to sign the termination agreement one more time without success.

Apparently, you left kingdom of Saudi Arabia without any prior notice or information.

The club is disappointed by your behavior and abusive conduct when the settlement's content was discussed and agreed by both parties.

Consequently, and in a last attempt please find enclosed the termination agreement for purpose of signature from your side.

Failure to sign the settlement agreement within 48 Hours we will consider the contract terminated unilaterally by the club for just cause. [...]”.

16. The draft settlement agreement, which remained unsigned, set out the following conditions:

*“1) Al Hazem shall pay to the Coach September 2023 salary, which is in a **total amount of (USD 41,667)** on signing this agreement, and work days from October 2023 salary, which is in a **total amount of (USD 13,889)** on signing this agreement.*

*2) Al Hazem shall pay to the Coach the bonus of the promoted to the pro leagues in the last season, which is in a **total amount of (USD 75,000)** on 15-11-2023;*

*3) Al Hazem shall pay to the Coach the liquidated damage clause agreed in a **total amount of (USD 166,668)** on 25-12-2023, which is equal to **(4)** months salaries.*

4) *By signing this agreement, the two parties attest that they have terminated the employment contract amicably and thus no contractual relationship exists between them from 13/10/2023.*

5) *In signing this agreement, the Coach agrees that except the payment mentioned on Clause No. 1, 2 and 3 above, he has acknowledged and declares the receipt of all remunerations that he is entitled to that is including but not limited to outstanding balance, monthly salaries, liquidated damage, bonuses, unused vacation, and any and all other benefits due in connection with his employment contract with First Party”. (emphasis is in original).*

17. On 14 October 2023, the Coach left the Club and the country.
18. On 17 October 2023, and referring to its letter of 13 October 2024, the Club sent the Coach a letter in the following wording:

“... With reference to our last correspondence and the deadline of 48 hours to provide the club with a signed termination agreement. We note that no signed termination was sent by until today. Consequently, the club has no other alternative than to notify you that Al Hazem Club has terminated your employment contract unilaterally with immediate effect. Please note that all your financial dues until the termination date which is (17 October 2023) will be paid within 30days”.

19. On 20 October 2023, the Club officially announced the signing of Mr Daniel Carinho as the new head coach.
20. Following the termination of the Second Employment Contract, the Club made two payments to the Coach: one of 306,184 USD on 24 January 2024 (including outstanding salaries for September and October 2023, bonuses and liquidated damages), and one of 4,992 USD on 3 June 2024.

B. The FIFA Proceedings

21. On 26 April 2024, the Coach lodged a claim before FIFA against the Club, arguing that the latter had unilaterally terminated the Second Employment Contract without just cause requesting, in a nutshell, payment of additional amounts, namely applicable default interest on each late payment until 24 January 2024, some performance-related bonuses and the outstanding balance of the compensation for the unilateral termination of the Second Employment Contract without just cause, arguing that the liquidated damages clause in the Second Employment Contract was invalid.
22. Specifically, the Coach submitted the following requests for relief:

“FIRST – To uphold the present claim in full;

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 75,000 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 41,667 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 189,517 from 6 October 2023 until 24 January 2024;

SIXTH – To order to the Club to pay to the Coach USD 285,486 NET 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 to the Club to pay to the Coach USD 14,000 due as contractual bonuses for winning matches under the First Employment Contract, plus default interest at a rate of 5% per annum from 6 October 2023 until the effective date of payment;

EIGHTH - To order to the Club to pay to the Coach USD 2,000 due as contractual bonuses for winning match of the King’s Cup under the Second Employment Contract, plus default interest at a rate of 5% per annum from 6 October 2023 until the effective date of payment;

NINETH - To open proceedings regarding the present dispute and notify the Club immediately; and

TENTH – To confirm that the ongoing proceedings is free of any costs”.

23. Relying on the principles of contractual stability and *pacta sunt servanda*, the Coach argued that the Club did not have just cause for termination based on low performance or poor sporting results.
24. Regarding the claim for outstanding salaries, the Coach argued that he was entitled to receive the following amounts: a) 14,000 USD under the First Employment Contract corresponding to two match-win bonuses as well as 75,000 USD as promotion bonus under the First Employment Contract and b) 41,667 USD corresponding to the salary for September 2023 under the Second Employment Contract.
25. As to compensation for unilateral termination without just cause, the Coach maintained that the liquidated damage clause in Article 6.4. of the Second Employment Contract was invalid, as it is potestative and disproportionate. Therefore, he claimed he was entitled to receive 285,486 USD net in accordance with Article 6(2) lit. a) of Annex 2 of the FIFA Regulations of the Status and Transfer of Players (the “RSTP”).
26. The Club replied that the Parties had agreed to the early termination of the Second Employment Contract due to poor results as well as alleged tensions between the team

and the technical staff and clarified that due to disagreement between the Parties on the financial terms of the termination, no written settlement agreement was concluded.

27. Moreover, the Club argued that it had no more outstanding payables towards the Coach. With regard to compensation, the Club maintained that the liquidated damage clause under Article 6.4. of the Second Employment Contract had been negotiated between the Parties, which is reflected in the addition of clauses 6.4.1. and 6.4.2. as compared to the First Employment Contract. Apart from that the clause was balanced and proportionate.
28. The Coach insisted that the unilateral termination by the Club completely lacked any just cause and that the Parties had never entered into a valid termination agreement, and there was no proof to the contrary either.
29. The 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 four monthly salaries, corresponding to 35,09% of the residual value of the Second Employment Contract is unfair and disproportionate.
30. Finally, while not disputing the payments made by the Club, the Coach reiterated the calculation detailed in his request regarding the compensation for breach of contract in accordance with the RSTP.
31. On 27 August 2024, the FIFA PSC rendered the Appealed Decision by which the Coach's claim was partially accepted, as follows:

"2. The Respondent, Al Hazem, must pay to the Claimant the following amount:

*- **USD 516.39 as outstanding remuneration.***

3. Any further claims of the Claimant are rejected.

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

*5. 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.

*6. 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.*

7. This decision is rendered without costs". (emphasis in original)

32. The grounds of the Appealed Decision were served on the Parties on 29 October 2024. They can be summarized as follows.
33. Having established its competence to adjudicate on the present matter in accordance with the FIFA RSTP, as to the merits, the Single Judge concluded that the Parties disagreed on the validity of the early termination of their employment relationship. In this regard, according to the Coach, the Club unilaterally terminated the Second Employment Contract without just cause, based on unsatisfactory sporting results, whereas the Club contended that the Parties had verbally agreed to terminate the Second Employment Contract in an amicable way. In addition, that according to the Respondent, due to the disagreement between the Parties on the terms of payment for the early termination of the Second Employment Contract, no written settlement agreement had been signed.
34. In this context, the Single Judge acknowledged that he first had to determine which party had terminated the Second Employment Contract and whether such termination was based on just cause and when it took place, and to decide the relevant consequences.
35. Based on the evidence on file, and namely the Parties' correspondence between 9 October 2023 and 13 October 2023, the Single Judge considered that the Second Employment Contract was terminated by the Club on 5 October 2023 and that the Club had failed to provide evidence that it had reached an agreement with the Coach to amicably terminate their relationship.
36. Furthermore, the Single Judge pointed out that poor sporting performance of the team under the responsibility of a coach is not a valid reason to cease paying due salaries or to terminate an employment contract, as this is a purely unilateral and subjective evaluation. According to the Single Judge, the Club had failed to demonstrate that the early termination of the Second Employment Contract took place as an ultima ratio measure.
37. In consideration of the foregoing, it was concluded that the Second Employment Contract was terminated by the Club without just cause on 5 October 2023.
38. With regard to the relevant consequences, the Single Judge concluded that the Club had fully settled the Coach's outstanding payments (in fact, by remitting the total sum of 306,184 USD on 24 January 2024, the Club paid 128,52 USD more than the Coach was entitled to), as detailed below:
 - 75,000 USD as promotion bonus;
 - 41,667 USD as salary for the month of September 2023;
 - 6,720.48 USD as salary for the month of October 2023;
 - 166,668 USD as liquidated damages under Article 6.4.1 of the Second Employment Contract;
 - 14,000 USD as two match bonuses under the First Employment Contract

- 2,000 USD as bonus for the King's Cup game under the Second Employment Contract.
39. As to the payment of 4,992 USD made by the Club on 3 June 2024, the Single Judge found that it corresponds to 644.91 USD less than what the Coach was entitled to (5,636.91 USD) as default interest on the outstanding payments above.
40. As a consequence, the Single Judge proceeded with the offsetting of debts and credits between the Parties and decided that the Club was liable to pay to the Coach the remaining balance of 516.39 USD (i.e. 644.91 USD -128,52 USD) as outstanding payment.
41. Regarding the amount of compensation for breach of contract payable to the Coach, the Single Judge turned his 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.
42. In this respect, the reasoning in the Appealed Decision reads as follows:
- “In fact, the Single Judge established that the compensation clause gave the possibility for the Club and the Coach to trigger the same consequences for either party. In this regard, the Single Judge considered the consequences to be proportionate considering the duration of the Second Contract, the fact that the Coach is entitled to four monthly salaries and is free to sign a new employment contract with another club while the Club no longer benefits from the Coach's services but does not have to pay his salary either. Therefore, the Single Judge concluded that there was a balance of bargaining power between the Club and the Coach”.*
43. The Single Judge noted that the Club had already paid 166,668 USD on 24 January 2024, corresponding to four monthly salaries in accordance with Article 6.4.1. of the Second Employment Contract, and therefore concluded that the Coach was not entitled to any further amount as compensation for breach.

IV. PROCEEDINGS BEFORE THE COURT OF ARBITRATION FOR SPORT

44. On 19 November 2024, the 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.
45. On 21 November 2024, the CAS Court Office notified the Statement of Appeal to the Parties, invited the Appellant to file its Appeal Brief within 10 days following the expiry of the time limit for the appeal and invited the Respondent to state whether it consented to the appointment of a sole arbitrator. The Parties were informed that in absence of an

answer 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.

46. 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.
47. 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 its Appeal Brief no later than 15 February 2025.
48. On 26 November 2025, 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.
49. On 4 December 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. From 2 February 2025 onwards, the Appellant requested the CAS Court Office multiple extensions of the time limit to file its Appeal Brief, all of which were granted based on the Respondent's agreement, until the final deadline was set for 18 April 2025.
51. 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.
52. 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.
53. On 16 May 2025, the Respondent filed its Answer in accordance with Article R55 of the CAS Code.
54. 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.
55. On 30 May 2025, the CAS Court Office informed the Parties, pursuant to Article R54 of the 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.
56. 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.

57. On 16 July 2025, following consultations, the CAS Court Office informed the Parties that a hearing in the present procedure had been scheduled for 23 October 2025, by videoconference.
58. 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.
59. 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 Abbas, legal counsel.
60. 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.
61. In the opening statements, both the Appellant and the Respondent confirmed the arguments already presented in their respective written submissions.
62. Mr Demetirus Montanini, the Coach's Agent called by the Appellant as a witness, was also heard and confirmed that he had negotiated the renewal of the employment contract on behalf of the Appellant. 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 email from the Club on 23 June 2023 and following exchanges between the Parties regarding the liquidated damages clause.
63. On the other hand, the Respondent insisted that extensive negotiations had taken place between the parties, 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 Parties concerning such negotiations.
64. 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.
65. 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 Parties before the signing of the Second Employment Contract.

66. 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.
67. 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.
68. On 10 November 2025, the Appellant submitted his comments, objecting to the admissibility of the Respondent's request to file new evidence.
69. 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

70. 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

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

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

SECOND – To order the Club to pay to the Coach the total amount of USD 285,486 (two hundred eighty-five thousand four hundred eighty-six 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 Coach the total amount of USD 285,486 (two hundred eighty-five thousand four hundred eighty-six 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 Coach the total amount of USD 100,000 (one hundred 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 Coach in an amount equal to at least CHF 10,000 (ten thousand Swiss francs)”.

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

AS TO THE FACTUAL BACKGROUND

73. The Second Employment Contract was terminated due to the Club’s unilateral decision to dismiss the Coach and the entire technical staff on 5 October 2023 following the team’s defeat in the match against Damas FC.

74. On the same day, the Coach claimed his outstanding salaries as well as the applicable compensation for the unilateral termination without just cause, granting the Club a 48-hour deadline to make the relevant payment: if the Club had complied with the payment of the requested amount within the relevant time-limit, the Coach and all his staff would have agreed to sign an amicable settlement with the Club for the mutual termination of the Second Employment Contract.

75. However, the Club insisted that 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.

76. The Coach did not sign the draft agreement proposed by the Club (nor, according to the Coach, did the Parties reach any verbal agreement) and left Saudi Arabia to go back to Portugal on 14 October 2023.

77. On 17 October 2023, the Club sent the Coach a final letter to formally notify the termination of the Second Employment Contract with immediate effect and to confirm that it would pay the Coach’s outstanding remuneration within the next 30 days.

78. On 24 January 2024, the Club paid the Coach the total amount of 306,184 USD including outstanding salaries, bonuses and liquidated damages under Article 6.4.1. of the Second Employment Contract.

79. By lodging his claim with FIFA on 26 April 2024, the Coach disputed the validity of the liquidated damages clause in the Second Employment Contract.

LEGAL ARGUMENTS

80. The Single Judge’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.
 81. 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.
 82. In fact, parties must strictly abide by several mandatory principles under Swiss law.
 83. 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 Single Judge 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.
 84. 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.
 85. What is worse, the Single Judge even considered the fact that the termination occurred within the first two months of the sporting season to be a mitigating factor, assuming that the Coach would be free to enter into a new employment contract before the end of the season and relied on this assumption to conclude that the “termination clause” was somehow proportionate.
- a) As to the nature of the clause under Article 6.4. of the Second Employment Contract**
86. In order to establish the nature of the clause contained under Article 6, the principles of interpretation suggest to first examine its wording.
 87. 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.
 88. In such direction, the term “damages clause” in Article 6 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.

89. Article 6 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.
90. Since the wording in Article 6 is clear, there is no need for further interpretation, in accordance with the principle “*in claris non fit interpretatio*”.
91. Having established that Article 6 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.
92. These include the prohibition of self-commitment in accordance with Article 27 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*”.
93. 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”.
94. 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).
95. 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*”.
96. 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 166,668) differs significantly from the residual remuneration that the Coach would have earned under the contract until its natural expiry (USD 475,003).

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

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

98. 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 Coach received under any employment contract signed after the termination, in the overlapping period.

99. Considering that the Club terminated the Second Employment Contract on 5 October 2023, and that the 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 to the Coach would be 475,003 USD.

100. However, given that the Club already paid to the Coach 22,849 USD corresponding to the pro rata value of the monthly salary for October 2023 and 166,668 USD corresponding to the liquidated damages under Article 6.4.1. of the Second Employment Contract, the Coach is entitled to 285,486 USD as compensation balance according to the RSTP (475,003 USD – 22,849 USD – 166,668 = 285,486 USD).

c) Further considerations

101. 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.

102. 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.

103. 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 the employment relationship, encouraging it to unilaterally terminate the 2nd Employment Contract without just cause by stipulating a compensation as insignificant as only 4 (four) monthly salaries”*.

104. 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. At the same time, conversely, the Coach would not benefit from such an early termination, as he would lack the necessary financial resources to pay compensation to the Club amounting to 4 salaries, having received only a few salary payments by the Club.

105. 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 Coach, while virtually not granting him the same possibility.

106. In this respect, Article 6.4. disproportionately favours the Club and is inconsistent with the general principle of contractual stability (CAS 2016/A/4875).

d) Further compensation

107. Furthermore, it is common knowledge in football that coaches find it more difficult than players to secure new employment, so the Single Judge's assumption that the Coach would be free to sign a new employment contract and would easily find a new Club is unrealistic. What is more, the damages suffered by the Coach were clearly much higher than the 4-month salary compensation given that he remained unemployed for more than eight months.

108. Therefore, assuming but not admitting that Article 6.4. contains a penalty clause, the 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 Coach was deprived of during the period in which he remained unemployed, minus the amounts paid by the Club after termination, resulting a total amount of 285,486 USD.

e) Specificity of sport

109. On a subsidiary basis, the Coach requests to be granted an amount of 100,000 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 on 10 August 2023 - in line with the deadline set out in the First Employment Contract for the payment of the signing fee of 50,000 USD - but the 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.

110. 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 accorded to the Coach or a sort of financial reward in order to compensate the fact that he 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.

111. 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 Coach, a compensation equivalent to at least the stipulated value of the signing fee, i.e. 100,000 USD.

f) Interests

112. 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

113. 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”.*

114. 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

115. The Club and the Coach had reached a verbal agreement to amicably terminate the Second Employment Contract. The reasons for this mutual termination were related to the team's poor results and the strained relationship between the technical staff and the players.

116. Despite the agreement to early terminate the contract, the Parties finally disagreed on the payment conditions because the Club had proposed an instalment payment plan. Consequently, no written agreement was ever concluded.

117. The Club had drawn up a termination agreement and forwarded it to the Coach who had initially promised to sign it but then suddenly changed his mind for no apparent reason, ultimately withdrawing from the negotiations.

118. 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 Coach and the President of the Club to verbally agree to the early termination of the Second Employment Contract, together with the difficulties in the relationship between the Coach and the players.

119. In fact, relations between the players and the technical staff deteriorated during the contractual period resulting in many defeats on the field.

120. Consequently, the Coach and the President of the Club met in order to discuss mutual termination. In this context, the 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 in accordance with the relevant contractual clauses. As it is confirmed by a WhatsApp conversation with the Club's CEO, the Coach had agreed to sign the draft of the agreement, however, he suddenly changed his position and left the Club without any prior notice.
121. At that point, the Club had no other option than to terminate the Second Employment Contract unilaterally in order not to compromise the sporting season.
122. As a matter of fact, the termination was not unilateral but mutually agreed.

b) As to compensation

123. 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 166,668 USD corresponding to four salaries.
124. The clause was widely discussed between the Parties as evidenced by the distinction made between termination occurring during the first or the second half of the season (making it different from the similar clause contained in the First Employment Contract). It is a conventional liquidated damage clause according to Swiss law and CAS jurisprudence and provides the only criteria to determine compensation 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. This principle of contractual freedom is enshrined in the jurisprudence of the Swiss Federal Court and finds its origin in the principle of *pacta sunt servanda* which is a core element of the Swiss legal system.
125. The fact that the clause was subject to extensive discussion between the Parties, proves that it was agreed, proportional and fair, as well as balanced as it gives each party the same amount of compensation in case of premature termination or breach.
126. The Single Judge rightly deemed the liquidated damages clause to be reciprocal and proportionate, in accordance with the provisions of Article 6 of Annex 2 of the RSTP which clearly permits the parties to contractually agree upon a fixed amount of compensation in case of termination of a contract. Similarly, in another case before FIFA involving the Club and one of the technical staff (Mr Miguel Pinto, FPSD-13146, also currently under review before CAS), the single judge has also deemed the penalty clause equivalent to two salaries to be valid and proportionate.
127. In this regard, the clause was drafted in the interests of both Parties and the Coach himself had the possibility to terminate the contract at any moment and be free to sign with another club on more favourable financial terms by paying only a four month-salary compensation to the Club.

128. 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).
129. 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.
130. 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 USD 100,000

131. 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.

VI. JURISDICTION

132. 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”.

133. The Appellant relied on Article 50 of the FIFA Statutes 2024 edition as conferring jurisdiction to the CAS.
134. The Respondent did not dispute that CAS has jurisdiction in the present case.
135. The jurisdiction of the CAS was further confirmed by the signature of the Order of Procedure and at the hearing by both Parties.
136. Accordingly, the CAS has jurisdiction to hear the present case.

VII. ADMISSIBILITY

137. 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”.

138. 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”.*

139. The Sole Arbitrator notes that the Appealed Decision was rendered on 27 August 2024 and that the grounds of the Appealed Decision were notified to the Parties on 29 October 2024.

140. Considering that the Appellant filed its Statement of Appeal on 19 November 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.

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

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

VIII. APPLICABLE LAW

143. 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”.

144. 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”.*

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

146. 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, February 2024 edition, with Swiss law applying subsidiarily.

IX. MERITS

A. Preliminary issue

147. 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.
148. 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.
149. 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..."*.
150. 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.
151. 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.
152. 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

153. 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 Coach in order to set aside the Appealed Decision insofar as the Single Judge considered the validity of the liquidated damages clause under Article 6.4.1. of the Second Employment Contract and rejected his claim for further compensation in the amount of 285,486 USD, plus default interests as from 5 October 2023 until effective payment.

154. As to the circumstances of the termination, according to the Appellant, the Club terminated the contract unilaterally and without just cause, dismissing him verbally on 5 October 2023 following the team's defeat against Damas FC.
155. On the other hand, according to the Respondent, the Parties had mutually agreed to early terminate the Second Employment Contract, by verbal agreement, 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 Appellant ultimately refused to sign the written draft of the amicable termination agreement proposed by the Club. Therefore, the Respondent argues that, although the termination of the Second Employment Contract was formally notified in writing by the Club, the grounds for termination are to be found in the Parties' underlying agreement. However, the Coach denies that there was any agreement whether written or oral with the Club in this respect.
156. 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.
157. In this respect, the Sole Arbitrator agrees with the Single Judge that, failing the signing of the "Contract Early Termination Agreement & Financial Clearance" proposed by the Club and in the absence of any other written agreement, the Club also failed to provide any evidence of the verbal agreement allegedly reached with the Coach in order to terminate the Second Employment Contract. 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.
158. Consequently, the Sole Arbitrator shares the findings of the Single Judge that the Second Employment Contract was unilaterally terminated by the Club.
159. With regard to the date of termination, the Single Judge established that it corresponds to the date when the Coach claims to have been verbally dismissed by the Club following the loss against Damas FC, i.e. on 5 October 2023. The same day is assumed by the Club as the date in which the Parties had allegedly reached a verbal agreement to amicably terminate their employment relationship. In fact, despite disagreeing on the context of termination, both Parties refer to the match against Damas FC as the event from which the Second Employment Contract was no longer considered effective (whether by the unilateral decision of the Club according to the Coach or by an amicable settlement according to the Club).
160. However, further considerations are needed. In this respect, the Sole Arbitrator notes that by letter dated 10 October 2023, the Club formally requested the Coach "*to not attend the first team training*", also referring to their alleged previous agreement on termination (supposedly, on 5 October 2023), pending the settlement of administrative and financial matters. Afterwards, on 13 October 2023, the Club invited the Coach to sign the draft of a termination agreement, granting him a 48-hour deadline to sign it, which the Coach failed to do. Consequently, it was not until 17 October 2023, that the

Club officially notified the Coach in writing that the Second Employment Contract was being terminated with immediate effect on that date.

161. In view of the above, irrespective of the fact that there has been a short period of uncertainty surrounding the future of the employment relationship between the Parties as from 5 October 2023, the Sole Arbitrator finds it more accurate to conclude that the Second Employment Contract was officially terminated by the Club's unilateral decision on 17 October 2023.
162. This conclusion is also supported by the fact that, as acknowledged by the Coach himself (see the Statement of Claim before FIFA, para 180 and Appeal Brief, para 47), after termination, the Club paid him 22,849 USD as the pro rata value of his monthly salary for October 2023, on the basis that the Second Employment Contract was still valid and effective between the Parties until 17 October 2023 (Incidentally, the Sole Arbitrator notes that the Appealed Decision erroneously assumed that the total amount paid by the Club on 24 January 2024 also included bonuses in the amount of USD 7,000 + USD 7,000 + USD 2,000 and only USD 6,720.48 as salary for October 2023).
163. Moving to the reasons for termination, the Sole Arbitrator notes that the Respondent offered no justifications other than the team's unsatisfactory performance under the Coach's guidance. Having established that there is no evidence of an agreement between the Parties to prematurely terminate the contract for such reasons, or, indeed, for any other reasons, the Sole Arbitrator upholds the Single Judge's findings that the Second Employment Contract was unilaterally terminated by the Club without just cause.
164. 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.
165. 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 18).
166. 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.

167. In this regard, the Sole Arbitrator emphasizes that the Parties agree that Article 6.4.1. of the Second Employment Agreement contains a liquidated damages clause for the purpose of Article 6 of Annex 2 of the RSTP.
168. Furthermore, it is undisputed that, after termination of the Second Employment Contract, the Respondent remitted a total amount of 311,176 USD to the Appellant, which includes outstanding salaries and other benefits, as well as the amount foreseen under Article 6.4.1 of the Second Employment Contract as “damage clause”, corresponding to four salaries (i.e., 166,668 USD).
169. The Respondent relies on Article 6.4. to exclude that the Coach is entitled to any further compensation in excess of 166,668 USD, while the Coach argues that first, Article 6.4.1. 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.
170. 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.
171. To start with, the Sole Arbitrator observes 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), there is no reason to deviate from the Single Judge’s assessment that 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” both in the formulation of Article 6.4.1. and Article 6.4.2. 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).
172. 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 Coach as a consequence of the early termination without just cause.
173. 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.

174. Incidentally, the Sole Arbitrator notes that, apparently different from the longstanding jurisprudence of the PSC (see Appealed Decision paras. 49 and 51), 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.
175. 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.
176. 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.
177. 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.*
178. 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*”.
179. 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.

180. In view of the foregoing the fact that the Parties may have negotiated the specific content of the liquidated damages clause, is irrelevant to the purpose of derogating from the provision of Article 337 c para 1 of the SCO.
181. 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).
182. The Sole Arbitrator considers that Article 6.4. – or, more precisely, its application to the present case – is not conform with the legal framework of Article 337c SCO, which is, as said, a mandatory rule according to Article 362 (1) SCO.
183. 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 Coach would have earned until the agreed expiry date) amounted to more than four 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.
184. 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).
185. 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).

186. 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.

187. As to the calculation of the residual value of the Second Employment Contract, the following figures must be considered:

- 18,818 USD as balance payment of the salary for October 2023 (41,667 USD – 22,849 USD)
- 333,336 USD as residual salaries from November 2023 until 30 June 2024;
- 100,000 USD as advance payment

corresponding to a total residual amount of 452,154 USD.

188. Given that it is undisputed that the Club has already paid 166,668 USD to the Coach in accordance with Article 6.4.1. of the Second Employment Contract, the Sole Arbitrator agrees that the Appellant is still entitled to receive the requested amount of 285,486 USD as a balance payment.

189. 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.

190. 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 the Challenged Decision aside”*, without any reservation, followed by the request to *“order the Club to pay to the Coach the total amount of USD 285,486 (two hundred eighty-five thousand four hundred eighty-six 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”*. 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 285,486 plus interest, the Appellant has also implicitly waived what the PSC granted to him under point 2. of the Appealed Decision.

191. 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).

192. 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).*
193. 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

194. In view of all the foregoing, the Appellant’s main request for relief is upheld and the Appealed Decision is set aside.
195. The Respondent must pay to the Appellant 285,486 USD (two hundred and eighty-five thousand, four hundred and eighty-six/00) 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.
196. 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 Antonio Filipe de Souza Gouveia against Al-Hazem Sport Club on 19 November 2024 concerning the Decision issued on 27 August 2024 by the FIFA Players' Status Chamber is upheld.
2. The Decision issued on 27 August 2024 by the FIFA Players' Status Chamber is set aside and replaced as follows:

"2. The Respondent, Al Hazem Sport Club, must pay to the Claimant the following amount:

USD 285,486 (two hundred and eighty-five thousand, four hundred and eighty-six /00) as the balance of compensation for breach of contract, plus 5% (five percent) interest p.a. as from 1st 8 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