**CAS 2025/A/12044 Ivaylo Petev Bogdanov v. Baniyas Football Sports Club Company LLC**

# ARBITRAL AWARD

**delivered by the**

# COURT OF ARBITRATION FOR SPORT

**sitting in the following composition:**

Sole Arbitrator: Mr Kepa Larumbe, Attorney-at-law in Madrid, Spain

**in the arbitration between**

**Ivaylo Petev Bogdanov, Bulgaria**

Represented by Mr Georgi Gradev and Mr Márton Kiss, attorneys-at-law in Sofia, Bulgaria.

**Appellant**

**and**

**Baniyas Football Sports Club Company LLC, Abu Dhabi, United Arab Emirates**

Represented by Mr Hatim Hussein Al Tahir, attorney-at-law in Abu Dhabi, United Arab Emirates.

**Respondent**

## I. PARTIES

1. Mr Ivaylo Petev Bogdanov (the "Appellant" or the "Coach") is a professional football coach of Bulgarian nationality.

2. Baniyas Football Sports Club Company LLC (the "Respondent" or the "Club") is a professional football club based in Abu Dhabi, United Arab Emirates, and affiliated with the United Arab Emirates Football Association (the "UAE FA"), which in turn is also affiliated with FIFA.

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

## II. FACTUAL BACKGROUND

### A. Background Facts

4. Below is a summary of the relevant facts and allegations based on the Parties' written submissions and evidence. Additional facts and allegations found in the Parties' written submissions and evidence may be set out, where relevant, in connection with the legal discussion that follows. While the Sole Arbitrator has considered all the facts, allegations, legal arguments and evidence submitted by the Parties in the present proceedings, this Award refers only to the submissions and evidence he considered necessary to explain his reasoning.

5. On 27 July 2025, the Club and the Coach concluded an employment contract with a duration until 30 June 2026 so that the latter would perform as the head coach of the first team of the Club against a remuneration (the "Contract").

6. The following clauses of the Contract are relevant to the present dispute:

"***ARTICLE THREE: Term of EMPLOYMENT CONTRACT (Duration)***

***3.1*** *This CONTRACT shall enter into force on 1st July 2025 and shall expire on 30th June 2026 ("TERM"), without prejudice to the extension and/or the termination clauses mentioned herein.*

*(...)*

***ARTICLE FIVE; REMUNERATJON AND ENTITLEMENTS:***

***5.1 The first party is obligated to pay a second party only in the event that the head coach executes the full contract duration in addition to complying with his all duties and obligations, accordingly, the head coach will have the right to receive a net total amount of ($ 448,000) four hundred and forty-eight thousand US dollars for the entire duration of the contract and paid as follows: -***

• ***Down payment*** *of ($ 50,000 net US dollars only) fifty thousand US dollars.*

** **Monthly salary:** ($33,166.67 net US dollars only) Thirty-three thousand one hundred and sixty-six US dollars and sixty-seven cents only.*

***5.2** The second party is obligated to pay its percentage of the contract registration fees with the Federation, amounting to (1 %) of the contract value, and the coach authorizes the first party to deduct this percentage from his financial entitlements.*

***5.3** The first party is obliged during the term of this contract to provide the second party with a suitable car, The second party shall bear the fuel consumption and be responsible also for its safety and for paying for any unusual and reasonable damages, any all-traffic violations or fines incurred when using the car. If the second party fails to do this, the first party shall have the right to deduct the amounts incurred from the financial entitlements of the second party.*

***5.4** Throughout the HEAD COACH's employment, the FIRST PARTY will provide the HEAD COACH with "One (1) return air ticket business class ticket far the coach and (2) family (round trip) economy class." from Abu Dhabi to the Head Coach Home.*

***5.5** Throughout the HEAD COACH's employment by THE FIRST PARTY, the FIRST PARTY will provide the HEAD COACH with health insurance.*

***5.6** The first party is obliged to provide the second party with a furnished accommodation villa in the emirate of Abu Dhabi during the term of this contract without cost of the expenses of electricity, water, internet and other personal consumption expenses thus not included and the first party shall have the right to deduct the amounts incurred from the financial entitlements of the second party. Or housing allowance according to the agreement with the first party.*

***5.7** The HEAD COACH's remuneration and entitlements arising out of or in connection with this CONTRACT are set out in clause 5 of this CONTRACT, which includes all the remuneration and entitlements to which the HEAD COACH is or may become entitled. Far the avoidance of doubt, the HEAD COACH shall not, under any circumstance, be entitled to any amounts not expressly set out in this clause 5 of this CONTRACT.*

***5.8 Furthermore,** the club agrees to pay the coach the following financial reward:*

*a) **Winning the UAE Pro League (Championship):** 150,000 net USD only (One hundred Fifty thousand USD);*
*b) **Winning the President Cup:** 100,000 net USD only (One Hundred thousand USO).*
*e) **Winning the Pro Cup:** 50,000 net USD only (fifty thousand USD).*
*d)**Achieving the 2nd place in Adnoc Pro-league competition (upon the end of the said competition)**: 100,000 net USD only (One Hundred thousand USD).*
*e) **Achieving the 3rd place in Adnoc Pro-league competition (upon the end of the said competition**: 50,000 net USD only (fifty thousand USD).*

***<u>Note 1</u>:** Net means net of the UAE income tax if applicable without conflicting with article 5.2.*

***Note 2**: All herein benefits are subject to the first party's internal policies, regulations and decisions.*
***Note 3:** Monthly salary entitlements **are** calculated in US dollars with one*

*(…)*

***ARTICLE EIGHT: TERMINATION***

***a)** The contract expires on the expiration date referred to hereinabove in clause 3-1.*

*b) By mutual written agreement of the PARTIES.*

*c) In the event of a material breach by the second party (for example the second party provides false documentation to the First Party, or the licenses which the second party holds are not sufficient to allow the coach to practice his Job as a first team coach for the first party or any violation, breach, etc. - as per the AFC and UAE FA regulations)*

*d) By FIRST Party immediately and at any time without any compensation and/or responsibilities against THE FIRST PARTY, in the event that the HEADCOACH:*

*1- Commits a material and serious breach of his obligations contained in this CONTRACT and/ or its annex, and/ or*

*2- Commits serious violation of the country rules or willful gross misconduct which causes serious harm to THE FIRST PARTY.*

*e) In the event that the first party terminates the contract without just cause, accordingly the first party is obligated to pay a termination fee equivalent to two months' salary.*

*f) In the event that the Second party terminates the contract without just cause, accordingly the Second party is obligated to pay a termination fee equivalent to two months' salary to the first party.*

*g) In case any Party breaches any of its/his obligations under this Contract, the non-defaulting Party shall give written notice to the defaulting Party to cure the breach within 15 (fifteen) days as of the receipt of such notice. If the defaulting party fails to cure the breach, the non-defaulting Party shall have the right to terminate this Contract with just cause".*

(Emphasis in original).

7. On 19 September 2025, the Club issued a "Contract termination notice" to the Coach, sent by email on 20 September 2025, which stated, in relevant part, as follows:

"*With reference to your contract with us and the contracts of the technical staff mentioned above, we regret to inform you that we, Baniyas Sports Football Club LLC (the first party) in the abovementioned contracts, have **decided to relieve you and terminate your contracts** concluded with us, that bind us to you and the technical training staff, of our company's first team.*

*This is effective from the date hereof, in accordance with our contractual rights with you and the technical staff under Article Eight (**Termination of Contract**), Paragraph (e), which entitles us to terminate your contracts with payment of compensation in an amount equivalent to two months' salary.*

*Please note that this termination will be in accordance with the legal contractual procedures specified in your contract with us, while respecting your rights to compensation.*

*We thank you for your cooperation during the contract period and wish you success in your future career*".

(Emphasis in original)

8. On 28 September 2025, the Coach's Legal Counsel sent an e-mail to the Club, which stated as follows:

*"Dear Sirs,*

*I act on behalf of Mr. Ivaylo Petev Bogdanov (the "Coach"), who is copied on this. I am writing in reference to your termination notice dated September 19, 2025.*

*The purported reliance on Clause 8(e) of the Employment Contract is legally flawed for two reasons:*

*First, Clause 8(e) is not a provision conferring upon the Club any unilateral right to terminate the Contract without cause. Within the framework of Articles 2–6 of Annexe 2 of the FIFA Regulations on the Status and Transfer of Players (RSTP), any such termination is clearly deemed a breach of contract. Clause 8(e) does not indicate that the Club is entitled to terminate the Contract; rather, it merely describes the consequences in the event of termination without just cause. It is therefore a liquidated damages clause, not a termination clause. See CAS 2019/A/6337, paras. 82–83; CAS 2007/A/1298, 1299 & 1300, para. 117.*

*Second, Clause 8(e) is invalid as it conflicts with the mandatory rules of Article 6.2 of Annexe 2 RSTP. The residual value of the contract constitutes the minimum compensation owed to a coach in the event of termination without just cause. Parties may only agree to a higher amount of compensation, never to a lower one. Any contractual clause that fixes compensation below the residual value is contrary to the RSTP and Swiss law and cannot be applied in determining compensation. See CAS 2023/A/9701, paras. 90-92.*

*Accordingly, your termination of the Contract constitutes a dismissal without just cause. The Coach is therefore entitled to receive the full residual value of the contract pursuant to Article 6.2(a) of Annexe 2 RSTP.*

*Unless the Club immediately pays the full residual value due, I have instructions to escalate the matter to the FIFA Players' Status Chamber without further notice. You already have the Coach's bank account details.*

*Yours faithfully*,".

9. Following the termination of the employment relationship, the Respondent made two payments to the Appellant, duly acknowledged as received, totalling USD 81,078.37 (comprising USD 79,722.18 and USD 1,356.19).

10. The Coach did not enter into any new employment contract with another club during the 2025/2026 season.

## III. Proceedings before the Players' Status Chamber of the FIFA Football Tribunal

11. On 6 October 2025, the Coach filed a claim against the Club before the FIFA Football Tribunal's Players' Status Chamber (the "FIFA PSC"), including the following *petitum*:

"51. *On these grounds, the Coach respectfully requests that the Football Tribunal order the Club to pay the Coach compensation for breach of contract in the amount of* ***USD 331,666.70 net****, plus interest of 5% per annum as of September 19, 2025, until full payment is made'.'*

12. In summary, during the proceedings before the FIFA PSC, the Club argued that it lawfully terminated the contract without just cause, and implemented the contractual conditions under Clause 8(e), paying the agreed termination fee in full. Accordingly, it concluded that the Claimant's claim for additional compensation must be rejected, as Article 6(2)(a) of Annex 2 RSTP does not apply where the contract stipulates otherwise.

13. The Club submitted the following requests for relief:

*"1. Dismiss the Claimant's claim in its entirety;*

*2. Confirm that the termination was valid and executed pursuant to Clause 8(e);*

*3. Declare that no further compensation is due, as the Club fulfilled all its contractual obligations by paying the termination fee;*

*4. Order the Claimant to bear the costs of these proceedings, including the Respondent's legal fees and expenses, in accordance with FIFA procedural regulations.)".*

14. On 7 November 2025, the FIFA General Secretariat requested the Coach to confirm whether the payment(s) allegedly made by the Club had been duly received.

15. On 8 November 2025, the Coach confirmed receipt of the following amounts:

• USD 79,722.18 on 8 October 2025, allegedly representing the September 2025 salary and the two months' compensation for breach of contract; and

• USD 1,356.19 on 5 November 2025, under the reference "*Remaining dues of compensation for contract termination*".

16. The Coach therefore insisted that he was entitled to USD 250,588.33 net, corresponding to the USD 331,666.70 originally claimed minus the USD 81,078.37 received from the Club.

17. On 19 November 2025, the FIFA PSC issued the decision with reference FPSD-21208 (the "Appealed Decision"). The operative part of the Appealed Decision read as follows:

*"1. The claim of the Claimant, Ivaylo Petev Bogdanov, is rejected.*

*2. The decision is rendered without costs."*

18. On 17 December 2025, the FIFA PSC notified the grounds of the Appealed Decision, determining, *inter alia*, the following:

*"28. The Chamber acknowledged that the parties do not dispute that the Club terminated the Contract without just cause and is therefore liable to the payment of compensation for the breach. In fact, the Chamber determined that the core issue in this matter concerns the calculation of the compensation owed by the Club to the Coach, which must be decided upon by the PSC.*

*29. In this context, the Chamber initially recalled that Article 8 of the Contract provided, inter alia, as follows:*

*"e) In the event that the [Club] terminates the contract without just cause, accordingly the [Club] is obligated to pay a termination fee equivalent to two months' salary.*

*f) In the event that the [Coach] terminates the contract without just cause, accordingly the [Coach] is obligated to pay a termination fee equivalent to two months' salary to the [Club]."*

*30. Accordingly, the Chamber considered that Article 8, particularly lit. e) and f) actually translated into a liquidated damages clause, by means of which the parties established in advance the consequences of a premature breach without just cause.*

*31. At this point, the Chamber recalled that while parties are generally free to define the terms of their employment relationship, contractual stability is a cornerstone of the football industry. As a result, employers and employees cannot unilaterally withdraw from a valid contract without adequate consequences. Similarly, the early termination of a contract entails both financial and sporting consequences. Although parties may agree on the effects of such termination, jurisprudence imposes limits to ensure legal certainty and protect the principle of contractual stability.*

*32. The Chamber further recalled that the Commentary on the Regulations (Edition 2023, p. 174) establishes the following regarding the validity of compensation clauses, which applies mutatis mutandis to coaches' cases:*

*"The principles of reciprocity and proportionality play an important role in relation to liquidated damages clauses. Both the DRC and CAS have repeatedly confirmed that any amount of compensation stipulated in a compensation clause must be proportionate.*

*[…]. If the amount stipulated in the contract appears to be disproportionate particularly when compared to the contractual remuneration of the player, the DRC will render the clause non-applicable (i.e. invalid) and proceed to calculate the compensation due pursuant to the factors set out in article 17, Regulations."*

*33. According to the Chamber, the analysis in cases like this shall be taken on a case-by-case basis, considering all relevant circumstances including, but not limited to, the length of the contract and the timing of the termination.*

*34. This fact-specific analysis was reflected in the PSC's jurisprudence. While the PSC has upheld compensation clauses equivalent to two months' salary for contracts spanning approximately one season, it has also rejected such clauses in certain situations and applied art. 6 of Annexe 2 of the Regulations (see, for example, FPSD-[redacted], 072480 (anonymized), FPSD-14443 Jovanovic, FPSD-12204 Gacancin).*

*35. In light of the above, and having carefully reviewed the case file in question, the Chamber first noted that the liquidated damages clause under review was reciprocal, applying equally to both the Coach and the Club.*

*36. Regarding proportionality, the Chamber emphasized that Clause 8 of the Contract provided for termination compensation equivalent to two monthly salary payments. As the Club notified termination in September, the salary for which was duly paid, the Coach would be entitled to two additional months' salary (also paid by the Club after the Termination Notice).*

*37. The Chamber then observed that, given that the Contract was originally for a 12-month term and was terminated after the Coach had completed three months of service, the total amount payable would correspond to five months' remuneration, as opposed to the full annual income. Similarly, the compensation element itself equals two months, compared to the nine months remaining under the Contract.*

*38. In the Chamber's view, this arrangement fell within the range deemed acceptable by jurisprudence in similar cases. Most importantly, the Chamber outlined that the Coach has not provided any evidence indicating that the negotiations were unilaterally imposed by the Club or that he was coerced into accepting the contractual terms. On the contrary, the Chamber noted that he served as head coach and received substantial remuneration, which – absent evidence to the contrary – did not suggest an imbalanced bargaining position between the parties.*

*39. The Chamber further noted that the intervention of the Football Tribunal is restricted to cases where the contractual terms and/or factual circumstances indicate an abuse of rights or a manifest imbalance, which the Chamber did not find to be present in this matter.*

*40. As such, the PSC considered that the arrangement between the parties falls within the scope of contractual freedom, and there is no indication of an abuse of rights that would warrant intervention by the Football Tribunal.*

*41. Furthermore, as the Coach had already acknowledged receipt of the two months' compensation stipulated under the Contract, the Chamber concluded that his claim must be rejected".*

## IV. PROCEEDINGS BEFORE THE COURT OF ARBITRATION FOR SPORT

19. On 18 December 2025, in accordance with Article R47 and Article R48 of the Code of Sports-related Arbitration ("CAS Code"), the Appellant filed his Statement of Appeal with the CAS against the Respondent, challenging the Appealed Decision. In the Statement of Appeal, the Appellant requested that a Sole Arbitrator be appointed.

20. On 18 December 2025, the Appellant filed his Appeal Brief, in accordance with Article R51 of the CAS Code.

21. On 3 January 2026, the Respondent submitted a letter to the CAS Court Office acknowledging receipt of the CAS correspondence enclosing the Statement of Appeal and the Appeal Brief filed by the Appellant. Among other considerations, the Respondent agreed that the present dispute to be submitted to a Sole Arbitrator.

22. On 19 January 2026, the Respondent filed its Answer by e-mail.

23. On 6 February 2026, the CAS Court Office, on behalf of the President of the CAS Appeals Arbitration Division and further to Articles R33, R52, R53 and R54 of the CAS Code, informed the Parties that the Panel appointed to decide the present dispute was constituted as follows:

Sole Arbitrator: Mr. Kepa Larumbe, Attorney-at-law in Madrid, Spain.

24. On 13 February 2026, the CAS Court Office informed the Parties that the Sole Arbitrator had determined the Answer filed by the Respondent to be inadmissible. The reasons for this determination are set forth in Section V of the present award.

25. On 2 March 2026, following consultation with the Parties, the CAS Court Office informed them that the Sole Arbitrator, pursuant to Article R57 of the CAS Code, considered himself sufficiently well-informed to render a decision based solely on the Parties' written submissions, without the need for a hearing.

26. This decision was grounded on the purely legal nature of the present dispute, in which the underlying facts are uncontested and the controversy concerns the validity of Clause 8(e) of the Contract. Furthermore, neither Party requested the submission of witness or expert evidence. Finally, while the Appellant had expressly requested the issuance of an award without a hearing, the Respondent, who was invited twice to express its position on this issue, did not express its preference within the relevant deadlines.

27. On 4 March 2026, the CAS Court Office transmitted to the Parties the Order of Procedure, which was duly signed by the Appellant on 4 March 2026 and by the Respondent on 11 March 2026. In doing so, the Parties confirmed CAS jurisdiction, that

their right to be heard had been respected and consented to the Sole Arbitrator issuing its award based solely on their written submissions.

28. On 12 March 2026 the CAS Court Office informed the Parties of the closure of the evidentiary proceedings and that in accordance with the Article R59 of the Code, the Arbitral Award shall be communicated to the Parties within a maximum of four months.

## V. PROCEDURAL ISSUES

### A. The inadmissibility of the Answer filed by the Respondent

#### A.1. Procedural background

29. On 29 December 2025, the CAS Court Office notified the Respondent that the Statement of Appeal and the Appeal Brief had been filed on 18 December 2025 against the Appealed Decision. Pursuant to Article R55 of the CAS Code, the Respondent was granted a deadline of 20 days from receipt of the letter by courier to file its Answer. The final paragraph of Section 2 of the CAS Court Office letter stated as follows:

*"Pursuant to Article R31 (3) of the Code, the Answer shall be filed* ***by courier,*** *in at least* ***six (6) copies****) (4 in case of appointment of a sole arbitrator) or, alternatively, uploaded on the CAS e-filing* ***platform.*** *The exhibits to the Answer can be filed on USB by courier in at least six (6) copies (or four (4)), or by email to the following address: procedures@tas-cas.org or, alternatively,* ***uploaded on the*** *CAS e-filing platform.*

(Emphasis in original)

30. On 3 January 2026, the Respondent submitted a letter to the CAS Court Office acknowledging receipt of the CAS correspondence enclosing the Statement of Appeal and the Appeal Brief filed by the Appellant and "*confirmed its full intention to submit its Answer in compliance with Article R55 of the Code, within the prescribed deadline"* (sic).

31. On 14 January 2026, the Respondent received the file by courier.

32. On 19 January 2026, the Respondent filed its Answer by e-mail.

33. On 20 January 2026, the CAS Court Office issued a letter, the final paragraph of which stated as follows:

*"Separately, I acknowledge receipt of the Respondent's Answer, a copy of which will be notified to the Appellant upon receipt of the original copies (cf. Article R31 of the Code of Sports-related Arbitration)."*

34. On 3 February 2026, the Appellant sent an e-mail to the CAS Court Office requesting information regarding the submission of the original copies of the Answer and seeking confirmation of its inadmissibility in the event of their absence.

35. On 6 February 2026, the CAS Court Office invited the Respondent to submit proof of the filing of the Answer on the CAS e-filing platform or by courier by 11 February 2026.

36. On 13 February 2026, the CAS Court Office informed the Parties that the Sole Arbitrator had determined the Answer filed by the Respondent to be inadmissible.

**A.2. Summary of the Respondent's position on the admissibility of its Answer**

37. On 11 February 2026, the Respondent requested the admission of its Answer. The Respondent's submissions, in essence, may be summarized as follows:

- The Respondent submits that its Answer, filed only by electronic mail on 19 January 2026, should be admitted to the file on the basis that it was submitted in full compliance with the procedural instructions contained in the CAS Court Office notification letter dated 29 December 2025. The Respondent contends that the CAS notification letter expressly permitted submissions by email, by courier, or via the CAS electronic filing platform, and that electronic submission constitutes a valid and recognized procedural means of communication in CAS proceedings. In its view, the electronic submission method is the "*primary and mandatory procedural means of communication and exchange of submissions before CAS*," whilst other methods remain available as optional alternatives. The Respondent further relies on the acknowledgment of receipt issued by the CAS Court Office on 20 January 2026 as confirmation that the Answer was duly received and placed on file.

- With regard to the applicable time limits, the Respondent submits that its Answer was filed within the twenty-day deadline prescribed by Article R55 of the CAS Code under all legally relevant calculation scenarios. The Respondent argues that, taking into account the principle of effective receipt and the holiday period during which the CAS notification was received, the time limit commenced at the earliest on 4 January 2026 and expired on 23 January 2026, rendering the Answer of 19 January 2026 timely. Alternatively, the Respondent contends that, even assuming the twenty-day period commenced on 29 December 2025, the deadline would have fallen on Sunday, 18 January 2026, which, being an official non-working day, would have been automatically extended to Monday, 19 January 2026 pursuant to the principles governing procedural time limits in CAS jurisprudence.

- The Respondent transparently confirms that no separate submission of the Answer by courier was made, asserting that such submission was not mandatory under the procedural instructions contained in the CAS notification letter. On this basis, the Respondent maintains that the absence of a courier dispatch cannot affect the admissibility of an Answer that was: (i) filed within the prescribed time limit; (ii) submitted through an expressly authorized procedural channel; and (iii) formally acknowledged by the CAS Court Office.

**A.3. Legal analysis**

38. Article R31, paragraph 3, of the CAS Code provides that "*the request for arbitration, the statement of appeal and any other written submissions, printed or saved on digital*

*medium, must be filed by courier delivery to the CAS Court Office by the parties in as many copies as there are other parties and arbitrators, together with one additional copy for the CAS itself, failing which the CAS shall not proceed*." The provision further clarifies that, if written submissions are transmitted by electronic mail in advance, "*the filing is valid upon receipt of the electronic mail by the CAS Court Office provided that the written submission and its copies are also filed by courier or uploaded to the CAS e-filing platform within the first subsequent business day of the relevant time limit.*"

39. The language of Article R31 is clear and admits of no ambiguity: the filing of written submissions by electronic mail alone is insufficient and, indeed, inadmissible. As expressly stated in Despina Mavromati & Matthieu Reeb, *The Code of the Court of Arbitration for Sport: Commentary, Cases and Materials (*Wolters Kluwer Law & Business, *2025 edition): "In case of a statement of appeal, request for arbitration and any other written submissions, transmitted only by e-mail or facsimile, the statements will be declared inadmissible, even if such statement had been filed within the appropriate time limit, since according to the clear wording of Article R31 all notifications and communications intended for CAS must be sent by courier or uploaded to the CAS e-filing platform*" (p. 128, para. 22).

40. The Sole Arbitrator must further observe that the Respondent was expressly and repeatedly informed of the formal requirements for the filing of its Answer. In its letter dated 29 December 2025, the CAS Court Office explicitly stated that "*Pursuant to Article R31 (3) of the Code, the Answer shall be filed by courier, in at least six (6) copies (4 in case of appointment of a sole arbitrator) or, alternatively, uploaded on the CAS e-filing platform*." The Respondent was also informed of the possibility to use the CAS e-filing platform and was invited to complete the CAS e-filing Registration Form available on the CAS website should it wish to avail itself of that option.

41. The Sole Arbitrator notes that the CAS Court Office's letter of 29 December 2025 did not authorize the filing of the Answer by email alone. On the contrary, the procedural instructions were unequivocal in requiring submission by courier or, alternatively, through the CAS e-filing platform. The Respondent's interpretation that electronic submission by email constitutes a "*primary and mandatory procedural means*" is inconsistent with the express wording of both Article R31 of the CAS Code and the procedural instructions issued by the CAS Court Office.

42. Moreover, the Sole Arbitrator observes that, in its letter of 20 January 2026, the CAS Court Office acknowledged receipt of the Respondent's Answer by email but expressly stated that "*a copy of which will be notified to the Appellant upon receipt of the original copies (cf. Article R31 of the Code of Sports-related Arbitration)*." This communication clearly indicated that the filing was incomplete and that the original copies submitted by courier or via the e-filing platform were still required for the Answer to be validly placed on file.

43. The Respondent has itself acknowledged that no submission by courier was made at any time. Furthermore, no evidence has been adduced to demonstrate that the Answer was uploaded to the CAS e-filing platform within the prescribed deadline. Accordingly, the Respondent has failed to comply with the mandatory filing requirements of Article R31

of the CAS Code, notwithstanding the clear warnings issued by the CAS Court Office in its letters of 29 December 2025 and 20 January 2026.

44. The Respondent's contention that the acknowledgment of receipt by the CAS Court Office constitutes acceptance of its Answer for the purposes of the arbitration is misconceived. As established in CAS jurisprudence, the mere acknowledgment of the transmission of a document by electronic mail does not cure a failure to comply with the formal requirements of Article R31. The CAS Court Office's letter of 20 January 2026 explicitly conditioned the notification of the Answer to the opposing party upon receipt of the original copies by courier or via the e-filing platform, thereby confirming that the electronic submission alone did not satisfy the procedural requirements.

45. The Sole Arbitrator further rejects the Respondent's argument that the formal requirements of Article R31 may be waived or disregarded on the basis of alleged procedural flexibility. The CAS Code establishes mandatory formal requirements for written submissions precisely to ensure procedural certainty and the orderly conduct of arbitration proceedings. These requirements serve legitimate purposes, including the provision of adequate copies to all parties and arbitrators and the maintenance of an official record of the proceedings. A party's unilateral decision to disregard such requirements cannot be countenanced.

46. For the foregoing reasons, the Sole Arbitrator concludes that the Respondent's Answer, submitted by electronic mail on 19 January 2026, is inadmissible pursuant to Article R31 of the CAS Code.

47. In accordance with Article R55, paragraph 2, of the CAS Code, the Sole Arbitrator may nevertheless proceed with the arbitration and deliver an award notwithstanding the Respondent's failure to submit its Answer by the stated time limit.

**B. The admissibility of the documents filed by the Appellant subsequent to the Appeal Brief**

**B.1. The admissibility of the documents filed by the Appellant on 1 January 2026**

48. On 1 January 2026, the Appellant submitted the award in *CAS 2021/A/8268* and the judgment of the Swiss Federal Court *4A_638/2024*, together with certain observations. These were transmitted to the Respondent with a deadline to raise any objections, failing which the documents would be accepted on file.

49. On 15 January 2026, the CAS Court Office informed the Parties that, in view of the Respondent’s tacit agreement, having raised no objections, the documents and observations submitted by the Appellant on 1 January 2026 were admitted on file as legal authorities.

**B.2. The admissibility of the documents filed by the Appellant on 17 January 2026**

50. On 17 January 2026, the Appellant submitted the CAS award in *CAS 2024/A/10666*, together with certain observations. These were transmitted to the Respondent with a deadline to raise any objections, failing which the documents would be accepted on file.

51. By letter dated 20 January 2026, the Respondent formally objected to the admission of the CAS award and accompanying observations filed by the Appellant on 17 January 2026. The Respondent contended that these submissions were filed after it had exhausted its right to file its Answer, in breach of Article R56 of the CAS Code, which prohibits late filings absent exceptional circumstances. According to the Respondent, the Appellant had ample opportunity to submit all legal authorities within the prescribed procedural time limits and faced no impediment preventing it from doing so.

52. The Respondent further submitted that permitting the Appellant to supplement its case at that stage would infringe the Respondent's right to be heard and violate the principle of equality of arms, as it would be deprived of the possibility to address the newly raised arguments. Relying on settled CAS jurisprudence, the Respondent characterised the Appellant's late filing as a tactical manoeuvre aimed at remedying deficiencies in its original submissions, and accordingly requested that the documents be excluded from the case file in their entirety.

53. On 13 February 2026, the CAS Court Office informed the Parties that the Sole Arbitrator had decided to admit on file the legal authority and the observations submitted by the Appellant on 17 January 2026, and invited the Respondent to submit its comments regarding such documents.

54. The reasons for the admissibility of the legal authorities submitted by the Appellant on 17 January 2026, are the following:

- As a preliminary matter, the Sole Arbitrator observes that Article R56 of the CAS Code governs the prohibition of late evidentiary submissions, providing that the parties may not submit new evidence after the filing of the Appeal Brief and the Answer unless they can establish the existence of exceptional circumstances. However, it is necessary to distinguish between factual evidence and legal authorities. In this regard, publicly available legal authorities—including CAS awards, decisions of the Swiss Federal Tribunal, and legal doctrine—do not constitute "evidence" within the meaning of Article R56 of the CAS Code and may therefore be submitted at any stage of the proceedings, provided they do not supplement the factual record.

- The Sole Arbitrator further notes that the materials submitted by the Appellant on 17 January 2026 consist exclusively of a CAS award (*CAS 2024/A/10666*) which is publicly available and officially published. This document is submitted as legal authority in support of arguments already developed in the Appeal Brief concerning the invalidity of Clause 8(e) of the employment contract and do not introduce new factual allegations or expand the scope of the dispute. As such, its submission does not fall within the scope of the prohibition set forth in Article R56 of the CAS Code, nor does it alter the factual matrix upon which the Respondent has had full opportunity to comment.

- Finally, with respect to the Respondent's contention that the admission of these documents would infringe its right to be heard and the principle of equality of arms, the Sole Arbitrator recalls that the Respondent have been afforded a full and fair opportunity to address the legal arguments arising from these authorities in writing. The Sole Arbitrator is satisfied that no prejudice will result to the Respondent from the admission of publicly accessible jurisprudence which is equally available to both parties. Accordingly, the Respondent's objection is dismissed, and the document submitted by the Appellant on 17 January 2026 is admitted into the case file.

55. On 16 February 2026, the Respondent submitted its comments with regard to the legal authority filed by the Appellant on 17 January 2026. In summary, the Respondent stated that:

- the award in *CAS 2024/A/10666* does not establish any general or automatic rule invalidating liquidated damages clauses that provide for compensation equivalent to a limited number of monthly salaries. The Respondent emphasizes that, consistent with established CAS jurisprudence, the validity of such clauses must be determined on a case-by-case basis, taking into account reciprocity, proportionality, and the specific contractual circumstances of each dispute.

- The FIFA PSC already conducted a detailed and reasoned analysis of the contractual provisions at issue in the present case, including Articles 8(e) and (f) of the Employment Contract. The FIFA PSC expressly found that the clause was reciprocal in nature, that the compensation mechanism fell within an acceptable range, that no imbalance in bargaining power or coercion was established, and that the contractual arrangement reflected the parties' contractual autonomy. On this basis, the FIFA PSC concluded that the contractual compensation clause was valid and rejected the Coach's claim in its entirety.

- Accordingly, the Respondent submits that the assessment of contractual compensation clauses is inherently fact-specific and cannot be automatically transposed from one case to another. While *CAS 2024/A/10666* reflects the analysis of a different contractual situation, it does not predetermine the outcome of the present dispute. The Respondent respectfully observes that maintaining coherence between the factual assessment already undertaken by the FIFA PSC and the applicable legal principles would best serve legal certainty and predictability, and concludes that the legal authority invoked by the Appellant does not alter the case-specific findings already made with respect to the contractual clause at issue.

**B.3. The admissibility of the documents filed by the Appellant on 16 and 21 March 2026.**

56. On 16 and 21 March 2026, the Appellant submitted the CAS awards in *CAS 2024/A/10875*, *CAS 2024/A/10876*, and *CAS 2024/A/10877* and *CAS 2024/A/11019* together with certain observations, which were transmitted to the Respondent granting

a deadline informing that unless an objection raised by the Respondent, the documents would be accepted on file.

57. On 23 March 2026 the Respondent objected to the admissibility of the Appellant's late submission of additional documents—consisting exclusively of recent jurisprudence—on several procedural and substantive grounds. First, the Respondent submits that the evidentiary record was formally closed on 12 March 2026, and that such closure constitutes a fundamental procedural milestone ensuring legal certainty, procedural discipline, and equal treatment of the parties. Second, the Respondent contends that the Appellant has failed to demonstrate the existence of exceptional circumstances warranting a departure from the closed record, insofar as the materials submitted do not constitute new facts and the legal principles they contain were fully accessible prior to the closure of proceedings. Third, the Respondent invokes the principle of equality of arms, noting that it was not afforded the opportunity to submit its full defence following the procedural closure at first instance, and that permitting the Appellant to unilaterally supplement the record at the appeal stage would create an impermissible procedural imbalance.

58. Furthermore, the Respondent submitted that the Appellant's submissions, taken as a whole, do not advance any substantiated ground capable of challenging the validity of the Appealed Decision and instead amount to an attempt to re-argue the merits of the dispute—including matters of contractual interpretation and quantification of compensation—which falls outside the proper scope of appellate review. The Respondent accordingly requests that the Sole Arbitrator declare the newly submitted documents inadmissible, preserve procedural equality between the parties, and decide the case on the basis of the record as constituted at first instance.

59. On 30 March 2026, the CAS Court Office informed the Parties that the Sole Arbitrator had decided to admit on file the legal authorities submitted by the Appellant on 16 and 21 March 2026 and invited the Respondent to submit its comments regarding such documents.

60. The Sole Arbitrator notes that, unlike the legal authorities submitted on 17 January 2026, the authorities submitted on 16 and 21 March 2026 were filed after the closure of the evidentiary proceedings. The Sole Arbitrator observes however that the Appellant submitted these awards shortly after the decision not to hold a hearing and the closure of the evidentiary proceedings and shortly after the publication of these awards on the CAS website. The Sole Arbitrator further notes that the Appellant expressly indicated on 21 March 2026 that it would "*no longer seek the production of new awards, as there have been numerous awards issued in the past few months (in contrast to the period before filing the appeal*". In view of such circumstances, and for the reasons for the admissibility of the legal authorities submitted by the Appellant on 17 January 2026, explained above in paragraph 54, which are incorporated herein by reference, the Sole Arbitrator deems that the awards submitted on 16 and 21 March 2026 shall also be admitted on file.

61. The Respondent failed to file any submissions in response to the legal authorities submitted by the Appellant on 16 and 21 March 2026, other than the statements made in its submission of 23 March 2026, as described in paragraphs 57 and 58 of this Award.

## VI. SUBMISSIONS OF THE PARTIES

62. The following outline of the Parties' positions is illustrative only and does not necessarily comprise each and every contention put forward by the Parties. The Sole Arbitrator, however, has carefully considered all the submissions made by the Parties, even if no explicit reference has been made in what immediately follows. The Parties' written submissions admitted on file, and the contents of the Appealed Decision were all taken into consideration.

### A. The Appellant

63. The Appellant made the following requests for relief in its Appeal Brief:

*"The Appellant respectfully requests that the Court of Arbitration for Sport:*

*a. Set aside the Appealed Decision of the FIFA Players' Status Chamber dated November 19, 2025 (Ref. FPSD-21208), and issue a new decision;*

*b. Order the Respondent to pay the Appellant compensation for breach of contract of USD 250,588.33 net, plus interest at the rate of 5% per annum as from September 19, 2025, until the date of effective payment;*

*c. Order the Respondent to bear all costs of the arbitration;*

*d. Order the Respondent to contribute to the Appellant's legal and other expenses in an amount to be determined at the Sole Arbitrator's discretion;*

*e. Grant any other relief deemed appropriate".*

64. The Appellant's submissions, in essence, may be summarized as follows:

- It is undisputed that the Respondent terminated the Contract without just cause. Both the Club and the FIFA PSC expressly acknowledged this fact. The Club admitted that it terminated the employment contract "*without just cause in the sporting sense, as understood under the FIFA Regulations*". The Chamber itself acknowledged in paragraph 28 of the Appealed Decision that "*the parties do not dispute that the Club terminated the Contract without just cause and is therefore liable to the payment of compensation for the breach*". The sole issue before the Sole Arbitrator therefore concerns the quantification of compensation.

- The Appellant submits that Clause 8(e) of the Contract constitutes a liquidated damages clause, not a buyout clause. A buyout clause grants a party a unilateral right to prematurely terminate a contract without requiring just cause, in exchange for a predefined compensation amount; the exercise of such a clause does not constitute a breach of contract. By contrast, a liquidated damages clause stipulates the amount of compensation that the breaching party will owe in the event of an unjustified unilateral termination.

- The wording of Clause 8(e) is unequivocal: it is triggered "*in the event that the [Club] terminates the contract without just cause*". By its express terms, the clause presupposes an unlawful termination and does not confer any contractual right to terminate. This interpretation was expressly confirmed by the FIFA Players' Status Chamber itself, which classified Clause 8(e) as a liquidated damages clause, holding that Articles 8(e) and (f) "*translated into a liquidated damages clause, by means of which the parties established in advance the consequences of a premature breach without just cause*".

- The Appellant submits that Clause 8(e) is invalid and unenforceable insofar as it limits compensation to an amount below the residual value of the Contract. The Appellant relies on the following legal framework:

1. FIFA Regulations: Article 6(1) of Annex 2 RSTP establishes that in all cases the party in breach shall pay compensation. Article 6(2)(a) of Annex 2 RSTP provides that, where the coach has not signed a new contract, compensation shall, as a general rule, be equal to the residual value of the prematurely terminated contract.

2. Swiss Mandatory Employment Law: Article 337c(1) of the Swiss Code of Obligations (CO) provides that 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 on expiry of its agreed duration. This provision establishes a minimum statutory entitlement equal to the contract's residual value. By virtue of Article 362(1) CO, this entitlement is mandatory and may not be reduced by agreement. Article 341(1) CO expressly prohibits any waiver of mandatory employment claims during the employment relationship and for a protected period thereafter.

3. CAS Jurisprudence: The Appellant relies on *CAS 2023/A/9701*, in which the Sole Arbitrator held the following in paragraph 92:

*"92. Being the residual value of the contract the mandatory minimum amount for compensation of a coach, the parties are free to agree on a compensation exceeding such value in the employment contract. Any clause containing a compensation below the residual value of the contract would however violate the FIF A RSTP applied in accordance with Swiss Law, and shall not be taken into consideration for setting out the amount of compensation due to the coach".*

- The amount stipulated in Clause 8(e) (USD 66,333.34, equivalent to two months' salary) is manifestly below the residual value of USD 331,666.70 (ten months' salary for the period from 19 September 2025 to 30 June 2026). Such a clause operates, in substance, as an advance contractual waiver of the Coach's mandatory statutory entitlement, which is expressly prohibited under Swiss law.

- The Appellant submits that the Appealed Decision is affected by errors of law. FIFA's reasoning rested on considerations of reciprocity, proportionality, timing of termination, absence of coercion, and contractual freedom. However, as made clear in *CAS 2023/A/9701*, these considerations are legally irrelevant once the compensation stipulated in the contract falls below the residual value, which constitutes the mandatory minimum.

- Furthermore, the Appealed Decision failed to address the Appellant's alternative argument that, even if Clause 8(e) were deemed valid, it does not preclude a claim for damages exceeding the contractual penalty where the damage suffered exceeds the stipulated amount and the Club is at fault, pursuant to Article 161(2) CO. This submission was ignored in its entirety, constituting a violation of the Appellant's right to be heard.

- Even if Clause 8(e) were deemed valid as a liquidated damages (penalty) clause, it would not cap the Coach's recovery. Under Article 161(1) CO, a contractual penalty entitles the creditor to the agreed amount without the need to prove damage. However, Article 161(2) CO expressly provides that "*where the damage suffered exceeds the penalty amount, the creditor may claim further compensation if the debtor is at fault*". In the present case, the Club terminated the Contract without just cause and is therefore at fault, and the Coach's total loss (USD 331,666.70) exceeds the amount stipulated in Clause 8(e) (USD 66,333.34).

- The Coach has not concluded any new employment contract following the termination. Accordingly, pursuant to Article 6(2)(a) of Annex 2 RSTP, the applicable compensation corresponds to the residual value of the Contract, amounting to USD 331,666.70 net.

- The Club made two payments to the Coach totalling USD 81,078.37 (USD 79,722.18 and USD 1,356.19). Consequently, the outstanding principal amount due to the Coach equals USD 250,588.33 net.

- Pursuant to Article 339(1) CO, all claims arising from the employment relationship fall due upon its termination, and the compensation owed became immediately due on 19 September 2025. The Club is therefore liable to pay interest at the statutory rate of 5% per annum from that date until full and final payment.

**B. The Respondent**

65. The Answer filed by the Respondent was declared inadmissible, as set forth in Section V of the present award (paragraphs 29 to 47).

66. Notwithstanding the above, the submissions made by the Respondent before the FIFA Players' Status Chamber, as contained in the Club's Response (which the Appellant submitted as Exhibit A10 of the Appeal Brief), as well as the reasoning of the Appealed Decision itself and the Respondent's comments on the legal authorities submitted by the Appellant, are part of the case file and shall be taken into consideration by the Sole Arbitrator in the assessment of the merits.

## VII. JURISDICTION

67. 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 the CAS insofar as the statutes or regulations of the said body so provide or as the parties have concluded a specific arbitration agreement and insofar as the Appellant has exhausted the legal remedies available to him prior to the appeal, in accordance with the statutes or regulations of the said sports-related body".*

68. In addition, Article 49.1 of the FIFA Statutes states:

*"1. FIFA recognises the independent Court of Arbitration for Sport (CAS) with headquarters in Lausanne (Switzerland) to resolve disputes between FIFA, member associations, confederations, leagues, clubs, players, officials, football agents and match agents".*

69. The jurisdiction of CAS, which is not disputed by the Parties, is based on the above-mentioned provisions. In addition, the Appellant and the Respondent confirmed the jurisdiction of CAS by signing the Order of Procedure.

70. The Sole Arbitrator is, therefore, satisfied that CAS has jurisdiction over this dispute.

## VIII. ADMISSIBILITY

71. Article R49 of the CAS Code provides as follows:

*"In the absence of a time limit set in the statutes or regulations of the federation, association or sports-related body concerned, or of a previous agreement, the time limit for appeal shall be twenty-one days from the receipt of the decision appealed against. After having consulted the parties, the Division President may refuse to entertain an appeal if it is manifestly late".*

72. Article 50.1 of the FIFA Statutes provides that:

*"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".*

73. It is undisputed that the appeal was filed within the 21 days set by Article 50.1 of the FIFA Statutes. The appeal also complied with all other requirements of Article R48 et seq. of the CAS Code, including the payment of the CAS Court Office fee.

74. It follows that the appeal is admissible.

## IX. APPLICABLE LAW

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

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

76. Article 49.2 of the FIFA Statutes reads as follows:

"*2. 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*".

77. The Appellant submits that the applicable law are the FIFA Statutes and Regulations and Swiss law, in accordance with Article R58 of the CAS Code and Article 49 of the FIFA Statutes.

78. Therefore, Article R58 of the CAS Code and Article 49.2 of the FIFA Statutes apply in full, and the Sole Arbitrator shall apply primarily the FIFA Regulations and, additionally, Swiss Law.

## X. MERITS

### A. Summary of the dispute

79. Before addressing the legal issues at stake, the Sole Arbitrator deems it useful to clarify the scope of the appeal and review. The central legal issues to be addressed concern the proper characterization and validity of Clause 8(e) of the Contract and the consequent determination of the quantum of compensation payable to the Appellant.

80. In particular, the Sole Arbitrator must determine: first, whether Clause 8(e), which provides for a termination fee equivalent to two months' salary in the event of termination without just cause, constitutes a valid buyout clause conferring a unilateral right to terminate, or rather a liquidated damages clause merely regulating the financial consequences of an unlawful termination; second, whether such clause is enforceable insofar as it caps compensation at an amount significantly below the residual value of the Contract, having regard to Article 6(2)(a) of Annex 2 RSTP and mandatory Swiss law provisions, in particular Articles 337c(1), 341(1), and 362(1) of the Swiss Code of Obligations; and third, in the alternative, whether the Appellant may claim damages exceeding the stipulated penalty amount pursuant to Article 161(2) CO, on the basis that the damage suffered exceeds the contractual penalty and the Respondent is at fault.

### B. Liability for termination without just cause

81. As a preliminary matter, the Sole Arbitrator observes that liability for the termination of the Contract without just cause is not in dispute. Both the Respondent, in its submissions before the FIFA PSC, and the Appealed Decision itself expressly acknowledged that the

termination was executed without just cause within the meaning of the applicable regulations. Accordingly, the Respondent's responsibility for the unlawful termination of the Contract has been conclusively established, and the sole remaining issue concerns the quantification of the compensation due to the Appellant.

## C. The Legal Nature of Clause 8(e) of the Contract: buyout clause or liquidated damages clause

82. The Sole Arbitrator must first address the proper characterization of Clause 8(e) of the Contract. This distinction is of fundamental importance, as a buyout clause confers upon a party a unilateral right to terminate the contract lawfully upon payment of a predetermined sum, whereas a liquidated damages clause merely stipulates the consequences of an unlawful termination without conferring any right to terminate.

83. The Appellant submits that Clause 8(e) does not confer upon the Club a unilateral right to terminate the Contract but merely regulates the financial consequences of a termination effected without just cause and therefore constitutes a liquidated damages clause rather than a buyout clause.

84. In its Response before FIFA, the Club did not dispute that it had terminated the Contract without just cause in the sporting sense as defined by the RSTP; however, it maintained that the termination was contractually valid and lawful on the basis that it was executed pursuant to Clause 8(e) of the Contract, which it characterized as a valid "exit-out" or buyout clause conferring upon either party a right to terminate the Contract upon payment of a termination fee equivalent to two months' salary. The Club argued that such clauses are recognized by FIFA and CAS jurisprudence as legitimate expressions of contractual autonomy and freedom.

85. Clause 8(e) of the Contract provides: "*In the event that the [Club] terminates the contract without just cause, accordingly the [Club] is obligated to pay a termination fee equivalent to two months' salary.*" The Sole Arbitrator notes that, by its express terms, Clause 8(e) presupposes a termination "without just cause" and does not purport to confer any contractual right to terminate. Rather, it describes the consequences that arise in the event of such a termination. This formulation is characteristic of a liquidated damages clause, not a buyout clause.

86. The Sole Arbitrator notes that a valid buyout clause must unequivocally confer a contractual right to terminate upon payment of a fixed amount, whereas a clause that presupposes a "termination without just cause" qualifies as a liquidated damages clause. Furthermore, this interpretation was expressly adopted by the FIFA PSC itself, which held that Articles 8(e) and (f) of the Contract "*translated into a liquidated damages clause, by means of which the parties established in advance the consequences of a premature breach without just cause*".

87. Moreover, as emphasized in *CAS 2024/A/10666*, the fixed-term nature of the Contract itself militates against construing Clause 8(e) as a buyout clause. By definition, a fixed-term employment contract should subsist until the stipulated expiry date and not be subject to premature termination at the will of the parties. A clause permitting either

party to end the employment relationship at any moment upon payment of a minimal sum contradicts this principle, rendering the duration uncertain and casting doubt on whether the agreement can properly be regarded as fixed term. Without Clause 8(e), the Contract would clearly retain its fixed-term character binding the Parties until the agreed expiry date, which would be consistent with the principle of contractual certainty and the principle of *pacta sunt servanda*.

88. Accordingly, the Sole Arbitrator concludes that Clause 8(e) constitutes a liquidated damages clause and that the Respondent's termination of the Contract was effected without just cause, triggering the compensation regime applicable to such breaches.

## D. The validity and enforceability of clause 8(e) of the Contract

89. Having determined that Clause 8(e) constitutes a liquidated damages clause, the Sole Arbitrator must now address the central legal issue in this appeal: whether such clause is valid and enforceable insofar as it caps compensation at an amount below the residual value of the Contract.

90. The Appellant contends that Clause 8(e) is invalid and unenforceable insofar as it purports to limit compensation to an amount significantly below the residual value of the Contract, that constitutes the mandatory minimum compensation for a coach and that any clause providing for compensation below that threshold violates Article 6(2)(a) of Annex 2 RSTP applied in accordance with mandatory Swiss employment law, specifically Articles 337c(1), 362(1), and 341(1) CO.

91. In the alternative, the Appellant submits that, even if Clause 8(e) were deemed valid as a liquidated damages clause, it does not preclude a claim for damages exceeding the contractual penalty where the damage suffered exceeds the stipulated amount and the debtor is at fault, pursuant to Article 161(2) CO.

92. In the context of the first instance proceedings before the FIFA PSC, the Club contended that the default compensation rule under Article 6(2)(a) of Annex 2 RSTP does not apply where the contract expressly provides for a different compensation mechanism, and invoked the principle of *pacta sunt servanda* , asserting that the Contract was executed voluntarily without coercion and reflected the mutual understanding and balance between the Parties.

93. The FIFA PSC upheld this position, finding that Clause 8(e) constituted a valid reciprocal liquidated damages clause, that the agreed compensation fell within an acceptable range having regard to the length of the Contract and the timing of the termination, and that there was no evidence of coercion or abuse of rights warranting regulatory intervention.

### D.1. The applicable legal framework

#### 1. FIFA RSTP

94. Article 6(1) of Annex 2 RSTP reads as follows:

"*2. Unless otherwise provided for in the contract, compensation for the breach shall be calculated as follows:*

***Compensation due to a coach***

*a) 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.*

*b) In case the coach signed a new contract by the time of the decision, the value of the new contract for the period corresponding to the time remaining on the prematurely terminated contract shall be deducted from the residual value of the contract that was terminated early (the "Mitigated Compensation"). Furthermore, and subject to the early termination of the contract being due to overdue payables, in addition to the Mitigated Compensation, the coach shall be entitled to an amount corresponding to three monthly salaries (the "Additional Compensation"). In case of egregious circumstances, the Additional Compensation may be increased up to a maximum of six monthly salaries. The overall compensation may never exceed the residual value of Annexes A the prematurely terminated contract.*

*c) Collective bargaining agreements validly negotiated by employers' and employees' representatives at domestic level in accordance with national law may deviate from the principles stipulated above. The terms of such an agreement shall prevail.*

***Compensation due to a club or an association***

*d) Compensation shall be calculated taking into account the damage suffered, according to the "positive interest" principle, having regard to the individual facts and circumstances of each case, and with due consideration for the law of the country concerned*".

95. The provision establishes the fundamental principle that, in all cases, the party in breach shall pay compensation. Article 6(2)(a) of Annex 2 RSTP provides that, when compensation is due to a coach, the primary criterion shall be the amount stipulated in the contract itself. In the absence of such contractual provision, the compensation payable shall, as a general rule, be equal to the residual value of the contract that was prematurely terminated, less the value of any new employment contract subsequently entered into by the coach with a third club, if applicable.

96. On the other hand, when the compensation is due to a club or an association, Article 6(2)(d) of Annex 2 RSTP provides that "*Compensation shall be calculated taking into account the damage suffered, according to the "positive interest" principle, having regard to the individual facts and circumstances of each case, and with due consideration for the law of the country concerned*".

97. The Sole Arbitrator notes that Article 6 of Annex 2 RSTP expressly differentiates the method of calculating compensation, unless otherwise provided for in the contract, depending on which party terminates without just cause. Under Article 6(2)(a), when

the club terminates the contract without just cause, the coach is entitled to the residual value of the contract—that is, the totality of the remuneration he would have received had the contract been performed to its natural expiry. By contrast, under Article 6(3), when it is the coach who terminates without just cause, the club is entitled to compensation calculated on the basis of the positive interest—a concept that encompasses the actual damage suffered by the club, which may be different than the residual value depending on the circumstances. This regulatory distinction reflects that the consequences of termination without just cause are not symmetrical depending on which of the parties breaches the employment contract. Thus, the RSTP acknowledges the inherent asymmetry between the parties to an employment contract in professional football.

**2. Mandatory provisions of Swiss Law**

98. FIFA RSTP must be interpreted and applied in accordance with Swiss law, which governs the law applicable to the present proceedings together with the FIFA Regulations (Article 49.2 of the FIFA Statutes).

99. Article 337c(1) of the Swiss Code of Obligations (CO) provides that 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 on expiry of its agreed duration. Crucially, this provision establishes a minimum statutory entitlement equal to the contract's residual value:

"*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*".

100. By virtue of Article 362(1) CO, this entitlement is mandatory and may not be reduced by agreement. This provision reads as follows:

*"It is not permissible to derogate from the following provisions to the detriment of the employee by individual agreement, standard employment contract or collective employment contract:*

*(...)*

*- Article 337c: paragraph 1 (consequences of termination without just cause);*

*(...)".*

101. Article 362(1) CO expressly provides that it is not permissible to derogate from Article 337c(1) CO to the detriment of the employee by individual agreement, standard employment contract, or collective employment contract.

102. Furthermore, Article 341(1) CO prohibits any waiver of mandatory employment claims during the employment relationship and for one month after its end:

"*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*".

103. Read together, Articles 337c(1), 362(1) and 341(1) CO establish a coherent and mandatory protective regime: (i) the employee is entitled, as a minimum, to the residual value following a termination without just cause; (ii) this entitlement cannot be contractually reduced; and (iii) the employee cannot validly waive it in advance.

**D.2. Application to the present case**

104. Clauses 8(e) and 8(f) of the Contract provide as follows:

*"e) In the event that the first party terminates the contract without just cause, accordingly the first party is obligated to pay a termination fee equivalent to two months' salary.*

*f) In the event that the Second party terminates the contract without just cause, accordingly the Second party is obligated to pay a termination fee equivalent to two months' salary to the first party".*

105. The Sole Arbitrator observes that Clause 8(e) of the Contract provides that, in the event of termination without just cause by the Club, the Coach is entitled only to a *"termination fee"* equivalent to two months' salary, representing USD 66,333.34. The residual value of the Contract from the date of termination (19 September 2025) to its scheduled expiry (30 June 2026) amounts to approximately ten monthly salaries (9 complete months from October 2025 until the end of the season and the 11 remaining days of September 2025), totalling USD 331,666.70 net. The amount stipulated in Clause 8(e) is therefore manifestly below the residual value of the Contract-representing approximately 20% thereof.

106. Swiss law recognises the employee as the weaker party of the labour relationship, deserving of protection against disproportionate contractual arrangements. The mandatory provisions of Swiss employment law -particularly Articles 337c(1), 341(1), and 362(1) CO- exist precisely to protect employees from being placed at the mercy of their employers through contractual mechanisms that operate to their substantial detriment. In the present case, the compensation of USD 66,333.34 represents only approximately 20% of the residual value of the Contract (USD 331,666.70), creating a manifestly disproportionate outcome that operates substantially to the detriment of the Coach.

107. The Sole Arbitrator finds that Clause 8(e) operates as an advance contractual waiver of the Coach's mandatory statutory entitlement under Article 337c(1) CO, which is expressly prohibited by Articles 362(1) and 341(1) CO. The compensation stipulated in Clause 8(e) -capping compensation at an amount significantly below the residual value of the contract- falls below the mandatory minimum residual value guaranteed by Article 337c(1) CO, a provision from which no derogation to the detriment of the employee is permitted under Article 362(1) CO.

108. CAS jurisprudence has considered that a compensation clause providing for an amount below the residual value of the contract -which is "*the minimum mandatory compensation provided for by Article 6.2 of Annexe 2 of the FIFA RSTP in accordance with Swiss law*"- is invalid. In CAS in CAS 2023/A/9701, the Sole Arbitrator stated as follows:

"*Article 6.2 of Annexe 2 of the FIFA RSTP states that the compensation for the coach shall be 'equal to the residual value of the contract that was prematurely terminated.' Being the residual value of the contract the mandatory minimum amount for compensation of a coach, the parties are free to agree on a compensation exceeding such value in the employment contract. Any clause containing a compensation below the residual value of the contract would however violate the FIFA RSTP applied in accordance with Swiss law, and shall not be taken into consideration for setting out the amount of compensation due to the coach*".

109. In *CAS 2024/A/11019*, the Panel held that "*Article 337c para. 1 of the SCO […] 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*" (paragraph 179). Additionally, in paragraph 181, the Panel cited the award in *CAS 2020/A/6798*, according to which "*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*". This position is further reinforced by the CAS jurisprudence cited in *CAS 2024/A/11019*, which the Sole Arbitrator endorses and considers applicable to the present case:

"*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)".*

110. Consequently, Clause 8(e) is in contravention of the mandatory framework established by Article 6(2)(a) of Annex 2 RSTP applied in accordance with Swiss employment law.

It follows that the preference afforded by Article 6(2) of Annex 2 RSTP to contractually agreed compensation applies only where the stipulated amount exceeds the residual value of the contract. Conversely, where the agreed compensation falls below the residual value, such a clause contravenes the mandatory provisions of Swiss law -in particular, Articles 337c(1), 341(1), and 362(1) CO- and must be set aside. Accordingly, the primacy of contractual freedom recognised in the FIFA RSTP is necessarily circumscribed by the mandatory minimum protections afforded to employees under Swiss law. This conclusion is supported by CAS jurisprudence, which the Sole Arbitrator endorses and considers applicable to the present case. In *CAS 2023/A/9701*, the Panel held that the following in paragraph 92:

*"92. Being the residual value of the contract the mandatory minimum amount for compensation of a coach, the parties are free to agree on a compensation exceeding such value in the employment contract. Any clause containing a compensation below the residual value of the contract would however violate the FIF A RSTP applied in accordance with Swiss Law, and shall not be taken into consideration for setting out the amount of compensation due to the coach".*

111. Finally, the Sole Arbitrator notes that identical indemnity clauses applicable to both parties do not necessarily constitute genuine reciprocity. Formal symmetry in contractual terms may be misleading where the parties have materially different economic capacities and where the magnitude of harm suffered by each party upon termination without just cause differs substantially. Whether such clauses are truly reciprocal must be assessed on a case-by-case basis, taking into account all relevant circumstances. In the present case, however, it is unnecessary for the Sole Arbitrator to undertake this assessment, as Clause 8(e) has already been declared null and void for being contrary to Swiss law.

112. Accordingly, the Sole Arbitrator concludes that Clause 8(e) of the Contract is null and void as it caps compensation below the mandatory minimum residual value guaranteed by Articles 337c(1) and 362(1) CO. The clause must be disregarded for the purpose of calculating compensation.

113. Given that the principal argument has succeeded, it is unnecessary to address the alternative claim.

### E. Quantification of Compensation

114. The Contract provided for a total remuneration of USD 448,000 net, consisting of a down payment of USD 50,000 net and a monthly salary of USD 33,166.67 net. The Contract was entered into for a fixed term from 1 July 2025 to 30 June 2026 and was terminated on 19 September 2025.

115. The Appellant has not concluded any new employment contract following the termination. Accordingly, pursuant to Article 6(2)(a) of Annex 2 RSTP and Article 337c(1) CO, the applicable compensation corresponds to the residual value of the Contract. No mitigation applies in the present case, as the Coach has not entered into any new employment agreement. The compensation therefore amounts to USD 331,666.70 net (representing approximately ten months' salary for the period from 19 September 2025 to 30 June 2026).

116. The Respondent made two payments to the Appellant, duly confirmed as received, totalling USD 81,078.37 (comprising USD 79,722.18 and USD 1,356.19). Consequently, the outstanding principal amount due to the Appellant equals USD 250,588.33 net (USD 331,666.70 minus USD 81,078.37).

117. Pursuant to Article 339(1) CO, all claims arising from the employment relationship fall due upon its termination. As this provision is of a mandatory nature under Article 361(1) CO, the compensation owed to the Appellant became immediately due on 19 September 2025, the effective date of termination.

118. In accordance with Article 104(1) CO and consistent CAS jurisprudence, the Respondent is liable to pay interest at the statutory rate of 5% per annum on the compensation for breach of contract from the date of termination until full and final payment.

## XI. COSTS

(…)

*****

# ON THESE GROUNDS

**The Court of Arbitration for Sport rules that:**

1. The appeal filed by Ivaylo Petev Bogdanov on 18 December 2025 against the decision of the Players' Status Chamber of the FIFA Football Tribunal of 19 November 2025 (FPSD-21208) is upheld.

2. The Decision of the Players' Status Chamber of the FIFA Football Tribunal of 19 November 2025 (FPSD-21208) is set aside.

3. Baniyas Football Sports Club Company LLC is ordered to pay Ivaylo Petev Bogdanov the amount of USD 250,588.33 net with interests at a 5% rate per annum as from 19 September 2025.

4. (…).

5. (…).

6. All other motions or prayers for relief are dismissed.

Seat of arbitration: Lausanne, Switzerland
Date: 2 July 2026

# THE COURT OF ARBITRATION FOR SPORT

Kepa Larumbe
Sole Arbitrator