Arbitration CAS 2007/A/1213 U.S. Fiorenzuola 1922 v. Portsmouth City F.C., award of 21 August 2007

Panel: Mr Martin Schimke (Germany), President; Mr. Luigi Fumagalli (Italy); Mr Efraim Barak (Israel)

Football
Compensation for training
Joint appeal against two separate decisions
Language of the exhibits
Criterion to determine the status of the player
Competent body to determine the status of the player
Entitlement to training compensation

1. **A joint appeal against two separate decisions does not infringe any provision of the Code and is therefore admissible if all necessary information – including in particular the reference number of both arbitrations, the identity of all parties, the facts of the matter, the legal argumentation, and the prayers for relief – is duly presented and clearly identified. Also, there must be no ambiguity as to the position and requests of each of the Appellants.**

2. **Article R29 of the Code gives the possibility – but not the obligation – to the Panel to request the production of certified translations of all documents that are not in the language of the procedure. Therefore, a Panel may rule that it is not necessary to order the Appellant to produce certified translations of documents that were produced in another language if the Panel can understand the contents of these documents and if the fact that certain documents were produced in another language did not put the Respondent at a disadvantage in the proceedings, nor deprive it of its right to be heard (i.e. because the Respondent's attorneys were of this other language's mother tongue and therefore understood all documents produced).**

3. **According to the RSTP 2001, the only relevant test to determine the status of a player relates to remuneration of the player. The receipt by the player of any remuneration *"other than reimbursement of their actual expenses incurred during the course of their participation in any activity connected with association football"* is what alone distinguishes an amateur from a non-amateur player. By corollary, the existence (or otherwise) of an employment agreement is not a relevant criterion.**

4. **Although Article 3 RSTP 2001 provides that the status of the player shall be determined by the national association with which he is registered, such determination must be made in accordance with the applicable FIFA Regulations. It is therefore subject to review by the FIFA Players' Status Committee. If the status of**

the player has to be determined in the context of a dispute concerning training compensation fees, the competent bodies, i.e., the DRC and the CAS, must also determine such status in accordance with applicable FIFA rules and are therefore not bound by the classification made by the national federation.

5. **Article 5(5) of the Regulations governing the Application of RSTP 2001 has been consistently construed by the DRC as meaning that training compensation shall not be due by the new club if the training club did not offer a new contract to the player that was transferred. This is also consistent with the current version (2005) of the FIFA Regulations for the Status and Transfer of Players.**

U.S. Fiorenzuola 1922 s.r.l. ("Fiorenzuola" or "the Appellant") is a football club established under the laws of Italy and having its registered office in Fiorenzuola D'Arda, Italy. It is a member of the Federazione Italiana Giuoco Calcio (FIGC), the Italian football federation.

Portsmouth City F.C. ("Portsmouth" or "the Respondent") is a football club established under the laws of the United Kingdom and having its registered office in Portsmouth, England. It is a member of the Football Association (FA), the English football federation.

A. ("A." or "the Player") is a football player, born on 5 May 1984.

A. was registered as an amateur player with the football club U.S. Audace during the 1995/1996 and 1996/1997 sporting seasons.

On 4 November 1997, U.S. Audace and Parma FC ("Parma") signed an agreement, whereby A. was transferred to Parma.

A. was registered with Parma during the 1997/1998, 1998/1999, and 1999/2000 seasons, until 29 January 2000.

On 29 January 2000, A. was transferred by Parma to Crociati Parma S.r.l. The player returned to Parma on 1 July 2000.

On 1 July 2002, Parma and A. entered into a five-year employment contract, from 1 July 2002 until 30 June 2007.

In July 2003, A. was transferred from Parma to Fiorenzuola for the 2003/2004 season. In connection with this transfer, Parma and A. entered into a termination agreement on 22 July 2003, whereby they terminated, by mutual agreement, the Player's employment contract dated 1 July 2002. This termination was acknowledged by the Italian Lega Nazionale Professionisti on 24 July 2003.

On 22 July 2003, Parma and Fiorenzuola signed a side agreement ("scrittura privata" – "the Side Agreement"), which provides as follows:

> *"1) The footballer [A.], although resulting as being registered according to the federation on a definitive basis with the Club U.S. Fiorenzuola 1922 srl, must actually be considered as on loan and therefore under full ownership of PARMA A.C.*
>
> *2) The Club U.S. Fiorenzuola 1922 srl, undertakes to transfer to PARMA A.C. or any other company designated by same, the player [A.], upon request of and with no charge to PARMA A.C. at the end of the current sporting season.*
>
> *3) PARMA A.C., from 01/07/2004, undertakes to grant the footballer [A.] the conditions agreed under the economic agreement signed on 01/07/2002 and terminated on 22/07/2003, for the remaining annuities until the natural expiry date".*

The Appellant explained that the reason for this Side Agreement was that Parma and Fiorenzuola actually intended the Player to be on a temporary loan to Fiorenzuola, However, under Italian regulations, the Player could not be transferred on temporary loan from Parma, a professional club, to Fiorenzuola, an amateur club not entitled to enter into employment contracts with players. As a consequence, the parties made a definitive transfer, together with the Side Agreement, *"which clarifies the real intention of the parties".*

On 6 August 2003, Fiorenzuola and the Player signed a release letter to the attention of the FIGC. It is unclear when the letter was sent to the FIGC. However, this letter was signed by a FIGC representative on 11 March 2004.

On 8 August 2003, Fiorenzuola and A. signed a financial agreement ("accordo economico" – "the Financial Agreement"), for the period between 1 August 2003 and 30 June 2004. This agreement provides that the Player is a "non professional" player and will receive a yearly gross amount of EUR 14,070 paid in ten installments, i.e., EUR 1,407 each.

At the end of the 2003/2004 season, Fiorenzuola released A.

On 1 August 2004, A. and Portsmouth signed an employment agreement for the period from 1 August 2004 until 30 June 2006 ("the FA Premier League Contract").

On 28 February 2005, FIFA sent a letter to the FA, in which it stated the following:

> *"The Italian club, U.S. Fiorenzuola 1922 srl, has informed us that it has not yet received the training compensation, as provided in Chapter VII of the FIFA Regulations for the Status and Transfer of Players, related to the transfer of the federative rights to the player, [A.], to your member club, Portsmouth FC. The relevant documentation, contents of which are self-explanatory, is hereby copied to your attention for you and your club's perusal.*
>
> *On account of the above, we kindly ask you to urge your affiliate to start with the payment of the training compensation in accordance with the applicable rules".*

On 1 March 2005, the FA sent a letter to Portsmouth, in which it mentioned that Portsmouth had asked the FA, on 24 January 2004, to confirm the category of Fiorenzuola in order that the correct training compensation could be paid. In its letter, the FA also mentioned the following: *"It would appear from the information submitted by the Italian club that the calculated amount of € 50,000 is correct"*.

On 13 April 2005, Portsmouth wrote to Fiorenzuola requesting the latter's bank details, in order to *"pay the outstanding amount of 50,000 euros to you"*. On 14 April 2005, Fiorenzuola replied, sending its account details and requesting confirmation of payment.

No payment was made by Portsmouth.

In April 2005, both Parma and Fiorenzuola contacted FIFA requesting training compensation in accordance with Chapter VII of the FIFA Regulations for the Status and Transfer of Players. Parma requested payment of EUR 460,000. Fiorenzuola requested payment of EUR 50,000.

On 28 September 2006, the Dispute Resolution Chamber of FIFA (DRC) issued two decisions ("the Decisions" or each a "Decision"), concerning each of Parma's and Fiorenzuola's claims, rejecting both clubs' claims. These decisions were notified to the parties on 19 December 2006.

In the Decisions, the DRC mentioned that in accordance with the applicable regulations, training compensation for a player's training and education is payable by the new club either when the player signs his first contract as non-amateur or each time a player changes from one club to another up to the time his training and education is complete, which, as a general rule, occurs when the player reaches 21 years of age. The training period to take into account for the calculation of the training compensation starts at the beginning of the season of the player's 12th birthday, or at a later age, as the case may be.

Concerning Parma's claim, the DRC first noted that according to the Financial Agreement, Fiorenzuola agreed to pay a yearly gross amount of EUR 14,070 to the Player. On this basis, the DRC considered that the Player could not be considered to be an amateur player, since this amount, corresponding to EUR 1,160 per month, exceeded the actual expenses incurred for the Player's footballing activity. The DRC thus found that, as a consequence, the Player already had acquired non-amateur status with Fiorenzuola during the season 2003/2004.

The DRC further found that the transfer of the Player from Parma to Fiorenzuola had been made on a definitive basis. The DRC therefore concluded that the transfer of the Player to Portsmouth in August 2004 should be considered a *"subsequent transfer"* under the applicable rules. Since in cases of subsequent transfers of young players, training compensation shall only be paid to the previous training club for the time the player was effectively trained by that club, and not to any other club, no training compensation was due to Parma, which was not the *"previous club"* under these rules.

The DRC therefore ruled that no training compensation was due to Parma.

Concerning Fiorenzuola's claim, the DRC also stated that the Player could not be considered to be an amateur player, since he received a yearly amount of EUR 14,070, corresponding to EUR 1,160

per month, exceeded the actual expenses incurred for the Player's footballing activity. Therefore, and irrespective of the registration records of the FIGC, the Player should be considered a non-amateur player during his registration with Fiorenzuola.

The DRC further found that Fiorenzuola had not offered a contract to the Player at the end of the initial contractual relationship. As a consequence, in accordance with Article 5 paragraph 5 of the Regulations, the DRC ruled that Fiorenzuola was not entitled to receive any training compensation.

On 9 January 2007, both Parma and Fiorenzuola appealed these decisions by filing a joint statement of appeal with CAS.

On 19 January 2007, the Appellant filed a statement of appeal against the decision of the DRC of 28 September 2006, together with supporting exhibits, with CAS. It made the following prayers for relief:

> *"**Request for relief**: Appellants appeal the decisions of the attached Dispute Resolution Chamber insofar as it, arbitrarily, without reference to any legal principle and in conflict with the facts and the law, failed to sentence Portsmouth to correspond to the Appellants:*
>
> *a) the training compensation which is due in relation to the registration of the player A.;*
>
> *b) the applicable interests for late payment;*
>
> *c) the reimbursement of all reasonable legal costs the Appellants has sustained because of the failure by Portsmouth FC to meet the terms of their requests".*

The Panel held a hearing on 11 June 2007 at the CAS premises in Lausanne.

Each party had the opportunity to examine the witness and to present its case, and the Panel heard detailed submissions from both parties. After the parties' final arguments, the Panel closed the hearing.

LAW

CAS Jurisdiction

1. Article 60 of the FIFA Statutes reads as follows:

> *"1 FIFA recognises the independent Court of Arbitration for Sport (CAS) with headquarters in Lausanne (Switzerland) to resolve disputes between FIFA, Members, Confederations, Leagues, clubs, Players, Officials and licensed match agents and players' agents.*
>
> *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".*

2. In addition, Article 62(1) of the FIFA Statutes provides:

"The Confederations, Members and Leagues shall agree to recognize CAS as an independent judicial authority and to ensure that their members, affiliated Players and Officials comply with the decisions passed by CAS. The same obligation shall apply to licensed match and players' agents".

3. The parties confirmed the jurisdiction of the CAS by signing the order of procedure of 11 June 2007.

4. It follows that the CAS has jurisdiction to decide on the present dispute.

Applicable law

5. As the seat of the CAS is in Switzerland, this arbitration is subject to the rules of Swiss private international law (LDIP) governing international arbitration. According to Article 187(1) LDIP, the arbitral tribunal decides in accordance with the law chosen by the parties or, in the absence of any such choice, in accordance with the rules with which the case has the closest connection. Although the parties have not expressly chosen any specific law, there is, in cases of appeals against decisions issued by FIFA, an indirect choice of law, in accordance with Article R58 of the Code and Article 60(2) of the FIFA Statutes. Such indirect choice of law is valid under Swiss private international law rules.

6. According to Article R58 of the Code,

"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".

7. Article 60 paragraph 2 of the FIFA Statutes reads as follows:

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

8. In the present matter, as the parties have not specifically agreed on the application of any particular law, the Panel shall enforce the parties' choice of law made by reference and apply the rules and regulations of FIFA, in particular the Regulations for the Status and Transfer of Players 2001 ("RSTP 2001"), the Regulations governing the Application of the Regulations for the Status and Transfer of Players, and FIFA Circular n. 826 of 31 October 2002 ("Circular 826"), and, additionally, Swiss law.

Procedural issues

9. In its answer, the Respondent raised three procedural issues, which the Panel shall address below.

A. Joint appeal

10. The DRC issued two separate decisions on 28 September 2006: one in the matter Parma against Portsmouth; one in the matter Fiorenzuola against Portsmouth. Both decisions were notified on 19 December 2006 and both Parma and Fiorenzuola appealed these decisions.

11. The appeal of Parma and Fiorenzuola was made jointly: the two clubs filed a single statement of appeal and a single appeal brief.

12. The Respondent submitted in its answer that although the parties agreed to appoint the same panel to decide both cases, they remained two separate arbitrations. As a consequence, from a strict procedural point of view, Parma and Fiorenzuola should have filed two statements of appeal and two appeal briefs, with supporting exhibits, which they did not do. On the contrary, they filed a joint statement of appeal and a joint appeal brief.

13. The Respondent did not mention specifically what legal consequence should be drawn from this fact.

14. The Panel carefully reviewed the documentation filed by Parma and Fiorenzuola and finds that the filing of a single statement of appeal and a single appeal brief (which specifically and correctly mentions the reference number of both arbitrations) does not infringe any provision of the Code. All necessary information (including in particular the identity of all parties, the facts of the matter, the legal argumentation, and the prayers for relief) is duly presented and clearly identified. There is no ambiguity as to the position and requests of each of Parma and Fiorenzuola.

15. The Panel therefore decides that the appeal filed by Fiorenzuola is admissible, even though made jointly with the appeal filed by Parma.

B. Date of filing of the appeal brief

16. In its answer, the Respondent requested the Panel to *"carefully verify the exact date in which the Appellants filed their joint 'Appeal Brief'"* to determine whether or not such appeal brief was filed within the ten-day deadline set in Article R51 of the Code.

17. In this respect, the Panel notes that the CAS Court Office confirmed to the Respondent, in a letter dated 21 February 2007, that the appeal brief was filed by the Appellant on 19 January 2007, i.e., within the relevant ten-day deadline. The appeal brief is therefore admissible.

C. Language of the exhibits

18. The Respondent pointed out that the Appellant filed several exhibits in Italian, not accompanied by an English translation. The Respondent requests the Panel not to admit these exhibits and not to authorize the Appellant to supplement their arguments nor to produce new documents, nor to specify new evidence in the course of the proceedings.

19. Article R29 of the Code provides as follows, giving the possibility – but not the obligation – to the Panel to request the production of certified translations of all documents that are not in the language of the procedure:

"The Panel may order that all documents submitted in languages other than that of the procedure be filed together with a certified translation in the language of the procedure".

20. The language of this arbitration is English and, as mentioned by the Respondent, the Appellant has produced certain documents in Italian, not accompanied by a certified English translation.

21. In the present case, the Panel considers that it is not necessary to order the Appellant to produce certified English translations of the documents that were produced in Italian, for the following reasons:

- The Panel could understand the contents of the documents produced by the parties, including the documents produced in Italian.
- In the Panel's opinion, the fact that certain documents were produced in Italian did not put the Respondent at a disadvantage in the proceedings, nor deprive the Respondent of its right to be heard. The Respondent's attorneys are Italian lawyers, who understood all documents produced, to which they made references in the answer. In addition, most of the documents that were produced by the Appellant in Italian were also produced by the Respondent, together with English translations. Such translations are therefore on record.
- Both parties produced non-certified English translations of documents. In the present case, taking into account the fact that there is no dispute about the quality of any translation, the Panel does not require such translations to be certified.

22. The Panel therefore rules that all documents produced by the parties in this arbitration are admissible.

Merits

23. As the contested decision of the DRC on 28 September 2006 correctly states, the RSTP 2001 are applicable to the case at hand since the relevant claim was lodged in February 2005 (see

Art. 26 para. 1 in connection with Art. 29 para. 2 RSTP edition 2005). This is undisputed between the parties.

24. The Appellant claims that the DRC misinterpreted the relevant rules when concluding that the Player had to be classified as a non-amateur player when he was registered with Fiorenzuola and, as a consequence, denying the Appellant training compensation. In this respect, the Appellant contended that, in accordance with Article 3 RSTP 2001, a player's status shall be determined by the national association with which he is registered. In the present case, the classification of the Player as a non-amateur would be contrary to the applicable provisions of NOIF.

25. As a preliminary remark, the Panel notes that under Article 5(2) RSTP 2001 and Circular 826, Fiorenzuola may be entitled to training compensation irrespective of whether the Player had amateur or non-amateur status. Nevertheless, in the appeal brief, the Appellant insisted on the argument that the player should be considered an amateur. The Panel will therefore address this question.

26. According to Article 1 RSTP 2001, *"[p]layers at national associations affiliated to FIFA are classified either as amateur or non-amateur"*.

27. The criterion governing classification of players is set out in Article 2 RSTP 2001, as follows:

"1 Players who have never received any remuneration other than reimbursement of their actual expenses incurred during the course of their participation in any activity connected with association football are regarded as amateur.

2 Travel and hotel expenses incurred through involvement in a match and the costs of a player's equipment, insurance and training may be reimbursed without jeopardising a player's amateur status.

3 Any player who has ever received remuneration in excess of the expenses and costs described in par. 2 of this article in respect of participation in an activity connected with association football shall be regarded as non-amateur unless he has reacquired amateur status under the terms of Art. 26 par.1 below".

28. It is clear from this provision that the only relevant test relates to remuneration of the Player. In the Panel's view, and in accordance with the aforementioned provision, the receipt by the player of any remuneration *"other than reimbursement of their actual expenses incurred during the course of their participation in any activity connected with association football"* is what alone distinguishes an amateur from a non-amateur player. By corollary, the Panel considers that the existence (or otherwise) of an employment agreement is not a relevant criterion to determine the status of the player for the purposes of the RSTP 2001.

29. The Panel also notes that although Article 3 RSTP 2001 provides that the status of the player shall be determined by the national association with which he is registered, such determination must be made in accordance with the applicable FIFA Regulations. The Panel is therefore not bound by the classification made by the national federation. Indeed, in accordance with CAS jurisprudence (see, e.g., CAS 2006/A/1177, p. 18; CAS 2005/A/838, p. 8), the determination of a player's status by a national association is subject to review by the FIFA Players' Status

Committee (see Article 3(2) RSTP 2001) and if the status of a player has to be determined in the context of a dispute concerning training compensation fees, the competent bodies, i.e., the DRC and the CAS, must determine such status in accordance with applicable FIFA rules.

30. Given the existence of the single remuneration-related test, the Panel considers that it is not necessary to enquire any further on the classification of the agreement between the Player and Fiorenzuola under Italian law and sporting regulations.

31. This has also been recently confirmed by CAS jurisprudence in the case CAS 2006/A/1177 where the panel in the same context additionally held:

"In this context we draw attention to Art. 2 of the preamble of RSTP 2001, according to which the principles under Chapter I of the Regulations, including Art. 2, «are also binding at a national level». We confirm this to mean that the criteria governing the definition of a player as amateur or non-amateur is also binding at national level, and the national associations are themselves required to apply those criteria within their «Jurisdiction»".

32. To summarize, the Panel concludes that the sole criterion to determine the status of a player – amateur or non-amateur – under the RSTP 2001 is the remuneration, more precisely whether the player is paid *"any remuneration other than for the actual expenses incurred during the course of their participation in or for any activity connected with association football"* subject to the provisio that *"Travel and hotel expenses incurred through involvement in a match and the costs of a player's equipment, insurance and training may be reimbursed without jeopardising a player's amateur status"*.

33. In this respect, it is undisputed that, in accordance with the Financial Agreement, Fiorenzuola agreed to pay to the Player a yearly gross amount of EUR 14,070. The Appellant explained in its appeal brief that this amount was below the threshold set by the applicable NOIF rules and State Law n. 342 of 21 November 2000 (EUR 25,822). In addition, during the hearing held in the course of the proceedings, Fiorenzuola's President testified that payment to the Player of the amount of EUR 14,070 under the Financial Agreement was merely intended to reimburse the Player for expenses incurred (travel, lodging and restaurant). In particular, he explained that the Player lived out of Fiorenzuola and had to travel there five times a week. In addition, on Saturdays, the Player stayed in a hotel in Fiorenzuola to be ready for the Sunday match. Fiorenzuola's President added that costs were calculated based on expense records that were provided by the Player. He also stated that the amount in the Financial Agreement was based on an estimate made at the start of the contractual period.

34. The Panel agrees with the DRC that the remuneration paid to the Player, i.e., EUR 14,070, is *prima facie* in excess of the expenses and costs described in Article 2(2) RSTP 2001, particularly as costs related to the practice of football were already to be taken over by Fiorenzuola by virtue of Clause 2 of the Financial Agreement (which provides that *"The Club shall guarantee* [the Player] *the necessary conditions for a technical preparation adequate to his status of 'no-professional player' in particular with reference to the participation to his training activities, training and agonistic […]"*).

35. During the proceedings, Fiorenzuola's President mentioned that the Player provided expense reports. However, no expenses reports – nor any other evidence showing the level of costs

incurred by the Player – were produced by the Appellant in this arbitration. In the absence of any evidence concerning the amount of the actual expenses incurred by the Player, the Panel sees no reason to deviate from its finding that the amount of EUR 14,070 is in excess of reasonable expenses and costs.

36. The Panel therefore concludes that the Player had non-amateur status when it was registered with the Appellant.

37. In accordance with the RSTP 2001, the Regulations governing the Application of the RSTP and Circular 826, compensation for training and education is payable by the player's new club either when the player signs his first contract as a non-amateur or each time a player changes club until his training and education is complete. However, in cases of subsequent transfers, training compensation will only be owed to the previous club of the player for the time he was effectively trained by that club (see Circular 826, page 3).

38. In the present case, as the Player had already acquired non-professional status when he was transferred from Parma to Fiorenzuola, his transfer from Fiorenzuola to Portsmouth must be deemed to be a subsequent transfer. Therefore, if training compensation is due, Fiorenzuola would be entitled to claim it, in accordance with the aforementioned rules.

39. However, it is undisputed that Fiorenzuola did not offer any contract to the Player at the end of the period of registration. In this respect, Article 5(5) Application Regulations provides as follows:

"In the EU/EEA, if the training club does not offer the player a contract, this shall be taken into account in determining the training compensation payable by the new club, without prejudice to the rights to compensation of the previous training clubs".

40. In accordance with the jurisprudence of the DRC produced by the Respondent, this provision has been consistently construed by the DRC as meaning that training compensation shall not be due by the new club if the training club did not offer a new contract to the player that was transferred.

41. The Panel notes hat this is also consistent with the current version of the FIFA Regulations for the Status and Transfer of Players, which provides that *"[i]f the Former Club does not offer the player a contract, no Training Compensation is payable unless the Former Club can justify that it is entitled to such compensation"* (Article 6(3) of Annex 4). In addition, the Commentary to this provision states the following: *"If the former club does not offer a professional player a new employment contract, this club loses its entitlement to training compensation unless it can justify that it is entitled to such compensation. This justification may be very difficult to prove and limited to extraordinary circumstances to decide on the matter at hand".*

42. In the present case, the Player was transferred between two clubs within the European Union. It is undisputed that the Appellant did not offer a contract to the Player at the end of the 2003/2004 season. Therefore, the Panel rules that Fiorenzuola is not entitled to training compensation.

43. In its appeal brief, the Appellant mentioned that in accordance with the jurisprudence of the DRC, the training club is not required to comply with Article 5(5) of the Application Regulations in the case of a loan of the player. In this respect, the Appellant points out that Parma and Fiorenzuola actually intended to conclude a loan agreement and only entered into a different contractual scheme because of the rules of the FIGC.

44. This argument must be dismissed. Indeed, the evidence produced by the parties clearly establishes that the Player was formally transferred, on a definitive basis, from Parma to Fiorenzuola. In addition, as explained by the Appellant in its appeal brief, the Player had to be transferred in order to comply with Italian regulations.

45. The Panel is aware that the transfer was accompanied by a Side Agreement providing that the Player should actually be considered to be on loan and under full ownership of Parma. The Panel understands that this contractual scheme was put in place to circumvent the Italian sporting regulations, which prevented a loan from Parma to Fiorenzuola.

46. However, precisely because it was not possible to enter into a loan agreement, Parma and Fiorenzuola agreed on a transfer of the Player. By not offering a contract to the Player at the end of the 2003/2004 season, Fiorenzuola lost its entitlement to training compensation, in accordance with the applicable FIFA rules.

47. Finally, the Panel considers that the Respondent's fax of 13 April 2005, whereby the Respondent asked the Appellant to forward its *"Bank Account details so that we may pay the outstanding amount of 50,000 euros to you, which has to be paid via the English Football Association transfer account"* does not create an obligation on the Respondent's part to pay training compensation to the Appellant.

48. The wording of this fax certainly is an indication that, on 13 April 2005, the Respondent was under the impression that the amount of EUR 50,000, which had been requested by the Appellant, was due. However, from a legal point of view, for the reasons set out above, no training compensation was due by Portsmouth to Fiorenzuola under the applicable rules. The Respondent's fax of 13 April 2005 does not have the effect of changing the legal situation under such rules.

49. In addition, the Panel considers that this fax does not create an independent contractual obligation to pay the amount of EUR 50,000 to the Appellant. Indeed, in the Panel's view, the Respondent's statement in this document cannot be construed as conveying the intention to create an additional legally binding obligation to pay an amount that would otherwise not be due.

50. Based on the foregoing, Fiorenzuola's appeal must be dismissed.

The Court of Arbitration for Sport rules that:

1. The appeal filed by U.S. Fiorenzuola 1922 on 9 January 2007 against Portsmouth City F.C. is dismissed.

2. The decision issued by the FIFA Dispute Resolution Chamber on 28 September 2006 is confirmed.

(…)

6. All other prayers for relief are dismissed.